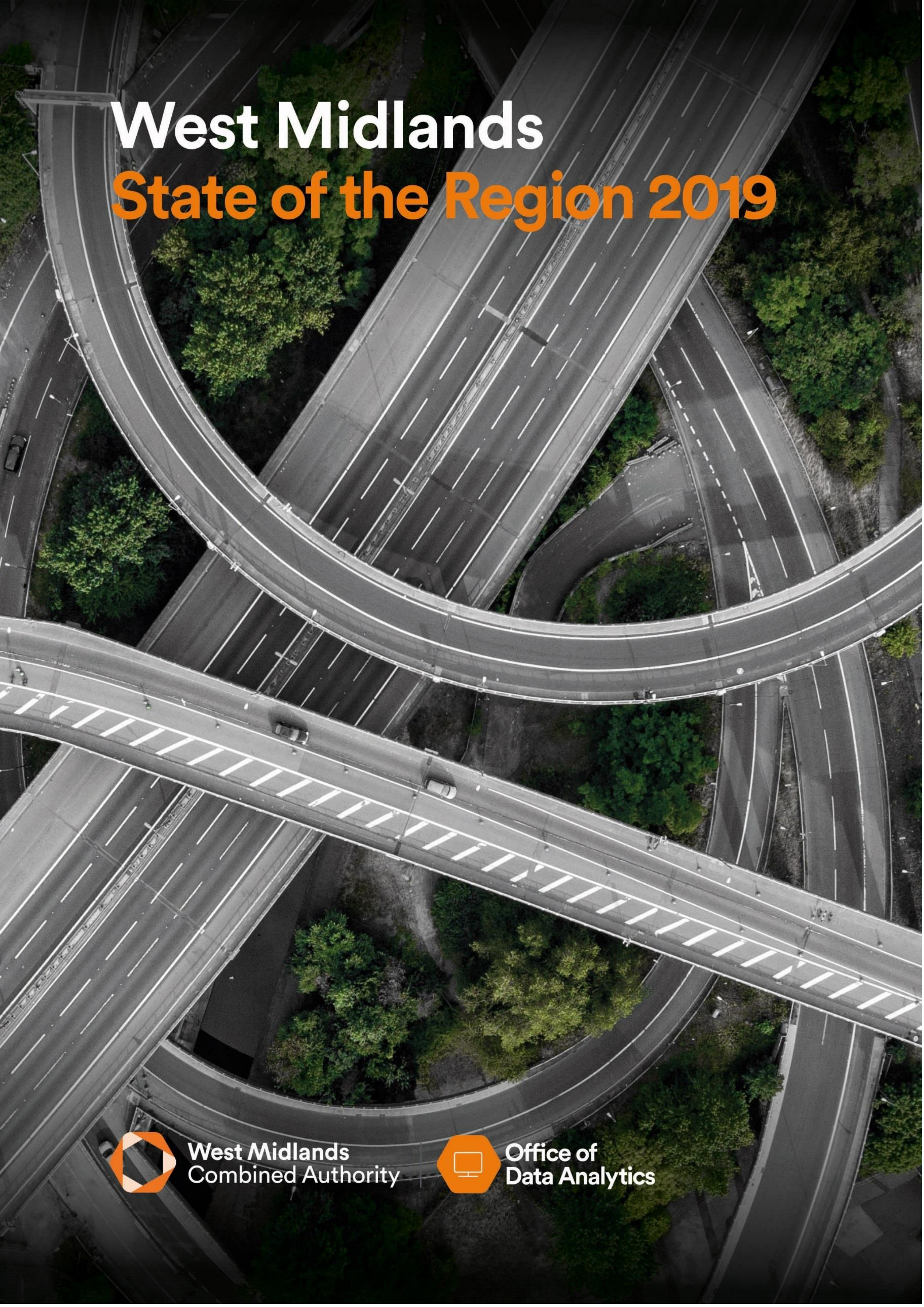

West Midlands
State of the Region 2019

West Midlands Combined Authority

Office of Data Analytics

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Executive Summary

Welcome to State of the Region 2019 – the third annual review of economic performance across the West Midlands. This report is written on behalf of the West Midlands Combined Authority and all its partners, it should be seen as a stocktake of where the region stands, it's a snapshot on where we are doing well and where we need to work together to improve the region. It's a call to action for everyone invested in the West Midlands.

It tries to be an honest reflection of the current regional condition, highlighting the challenges we face. However, we are not attempting to suggest what the solutions are, this lies within strategies and action plans the WMCA and partners own and deliver. It highlights how we are driving our evidence base for the future and continuing to build our understanding of the performance of the region. There are challenges to understanding this performance and how we change places for the better, not least understanding the causation and causality between action, output and outcomes. This document provides a balanced approach to regional monitoring and a useful tool understand the progress we are making through our combined action.

The West Midlands is experiencing an economic renaissance bucking the trend of other areas outside London. GVA, the measure we use to assess the value of goods and services in an area, is growing at the same rate as the UK at 3.6% and is at an 8-year high reaching £99bn. This is matched by a record high in the amount of GVA generated per person at £23,900, which is growing in line with the UK. Whilst GVA per hour, the best way to measure productivity, is increasing at 3.1%, significantly above the UK at 2.5%.

This economic growth is matched by growth in the number of active enterprises at 3.6%, again above the UK at 3.3%. Although a slight reduction in the number of new enterprises, we are still matching the UK at 58 per 10,000 people in the region. Those enterprises are creating record numbers of jobs with a growth rate of 3.1% - 3 times the England rate and we now have 1.9m jobs.

The number of people with NVQ Level 4+ qualifications has increased by 3.4% over the year compared to a UK increase of 2.3%. There were similar positive results for those with 'No Qualifications', falling by 2.5% compared to the UK average change of +0.2%.

Looking ahead, many economic fundamentals are expected to stay strong with growth in other sectors expected beyond manufacturing, including real estate and business, professional and financial services. HS2 will continue to improve productivity, connectivity, skills and job opportunities. Coventry City of Culture in 2021 and the Commonwealth Games in 2022 will bring investment in venues, transport, housing, jobs and tourism, as the region's profile on the global stage is boosted.

There are good reasons to be optimistic. Yet our optimism for the future must be tempered by the current challenges, and those that we know are ahead. Manufacturing looks most vulnerable to the impacts of Brexit, and the West Midlands is particularly exposed. Although headline productivity is moving in the right direction, it still lags behind the rest of the UK, as does the proportion of WMCA residents with qualifications and their healthy life expectancy. Youth unemployment is still stubbornly high. Without effective investment in productivity and skills, the region risks losing the ability to attract future investment and there continues to be disparity in employment levels by gender and ethnicity. We know there is still a long way to go to meet our ambitions. Too many people remain left behind, unable to access, shape or feel the full benefits of sustained economic growth.

This report highlights how we monitor this and demonstrates we have an opportunity to harness the growth for the greater good of everyone, creating a more inclusive, resilient economy.

WMCA Board

Consistent with the WMCA Strategic Economic Plan and the WM Local Industrial Strategy unless otherwise stated, the data for WMCA relates to the 3 LEP geography - Black Country LEP, Greater Birmingham and Solihull LEP and Coventry and Warwickshire LEP

Key Trends
Outperforming

£99bn

Total GVA is increasing and stands at £99bn

+3.6% (+£3.5bn) growth rate – same as the UK growth rate of +3.6% (2016-2017)

Target - to reach £153bn in total GVA by 2030

£31.07

GVA per hour is £31.07 +3.1% (+£0.93) growth compared to +2.5% (+£0.83) UK average (2016 - 2017).

To reach the UK average, performance is good but there currently a shortfall of £2.58

165,045

165,045 Active Enterprises in the WMCA in 2017

+3.6% growth rate compared to +3.3% UK (2016 - 2017)

To be above UK Average, performance is good but need to create an additional 18,451 enterprises to reach 443 per 10,000 population

58.1%

58.1% (1.9m people) are Physically Active as of November 2017/18

+1.1pp vs +0.8pp England (62.6%) (Nov. 2016/17 - Nov. 2017/18)

Performance is good but need an additional 156,701 adults to reach the national average

1.9m

The number of Jobs has increased to 1.9m

+3.1% (+56,000) compared to +1.3% for England (2016 - 2017)

To reach the Strategic Economic Plan target we need to achieve 2.4m jobs

71.7%

The WMCA Employment rate is 71.7% (1.8m people)

Increased at a faster rate than the UK average +0.7pp (+19,600 people) vs +0.3pp (2017 - 2018)

To reach the UK average of 75.0%, an additional 85,400 people need to become employed

76.3%

76.3% of employees earning above the Living Wage Foundation rates +0.5pp growth compared to -0.6pp UK (2017-2018)

The target is to reach the UK average of 77.2%

14,500

14,500 Net New Homes in the WMCA area in 2018

Making good progress but to reach the 215,000 target of net new homes by 2031, requires an additional 189,029 net new homes

11.0%

The Working age Population with No Qualifications is 11.0% (283,700 people), this is decreasing faster than the UK average

-2.5% WMCA compared to +0.2% UK (2017 - 2018)

To reach the UK level of 8% an additional78,284 people need to gain one qualification

32.1%

The Working age Population with NVQ4+ qualifications is 32.1% (825,500 people), this is increasing at a faster rate than the UK average

+3.4% WMCA compared to +2.3% UK (2017 - 2018)

To reach the UK average we would need an additional 181,538 people to be upskilled to 39.2%

7.1%

7.1% of NEETs within the WM 7 Met. area compared to 6.0% for England (2018)

NEET reducing at a higher rate than England by 0.7pp

To be below the England average we would need 701 fewer NEETS to reach 6%

Maintaining Our Position

£23,903

GVA per Head is £23,903 +2.7% (+£636) growth compared to 3.0% UK (2016-2017)

But with a shortfall of £3,652 to UK average

£53,087

GVA per employee is £53,087 +0.5% growth (+£269) compared to +2.2% (+£1,281) Eng. (2016-2017)

With a shortfall of £7,435 to England average

£28,294

Resident Wages are increasing and stand at £28,294 in 2018

+2.4% (+£652) growth compared to +2.8% (+£815) UK (2017-2018)

With a shortfall of £1,280 to national average

43.5%

The five-year Enterprise Survival Rate is 43.5% from 2012 births for the WMCA compared to 43.2% for the UK. (2012 to 2017)

The target is to stay above the UK

21,043

21,043 ktCO_2 emitted within the WMCA by transport, business and homes in 2016

-3.8% (-830ktCO_2) across the WMCA vs -3.9% for the UK (2015-2016)

The target is a 40% reduction in carbon by 2030 from 2010, -5,249 ktCO_2

In 2016, the reduction in carbon stands at -20.1% since 2010

Focus for Improvement

£15.1bn

WMCA Output gap is £15.1bn in 2018

+£0.8bn from 2017 revised output gap (Due to revision of GVA data)

The aim is to have no output gap

24,230

WMCA Enterprise births has decreased to 24,230

- 12% (-3,315) compared to -7.7% UK (2016 - 2017)

The target is to be ahead of the UK average of 58 per 10,000 population. Currently on par with the UK average.

29,230

The number of Apprenticeships has decreased to 29,230
-31.2% vs -22.6% England (2016/17 - 2017/18)

The target is to have 84,000 apprentice starts, requiring an additional 54,770.

However, recent statistics for the last 6 months indicate a positive growth of 4% from same period last year (Aug. 2017 – Jan. 2018).

59.9

Healthy Life Expectancy for Males in the WM 7 Met. is 59.9 years. (+0.3 year improvement from 2016)

- 3.4 years lower than England (63.3 years) in 2017.

The target is to reach the England average of 63.4 years old

60.1

Healthy Life Expectancy for Females in the WM 7 Met. is 60.1 years (0.2 year decline from 2016)

- 3.7 years lower than England (63.8 years) in 2017.

The target is to reach the England average of 63.8 years old

-0.14

The WM 7 Met. area average Progress 8 Score was -0.14 in 2018

To reach England average requires an improvement of +0.12

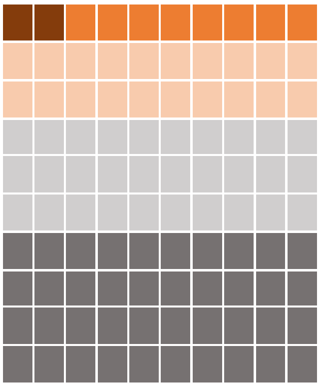
The target is to have an average progress 8 score of -0.02

21

Additional Poor Air Quality Days across the West Midlands Region in 2018

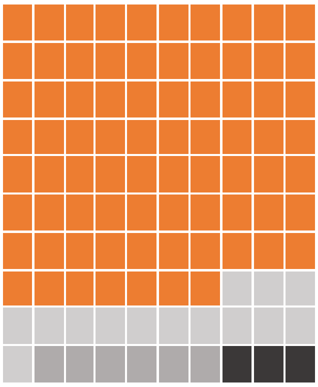
The target is to have only 1 day of poor air quality by 2030

The region as 100 enterprises



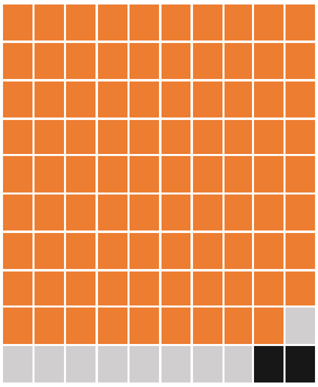
Turnover Band

High Achievers (£5m+)
Growth pioneers (£1m+)
Potential Gazelles (£250k+)
Solid performers (£100k+)
Lifestylers (<£100k)



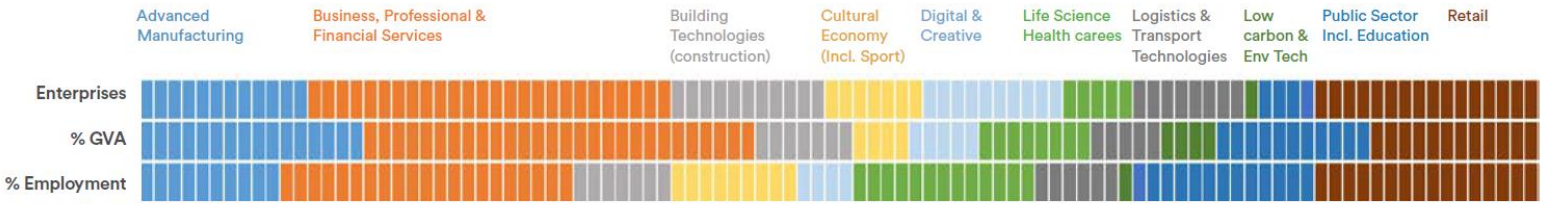
Ownership

Company
Sole Proprietor
Partnership
Non Profit or mutual

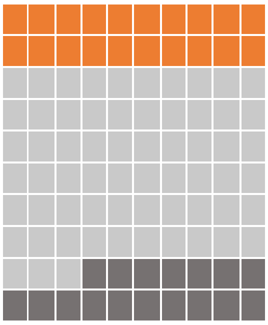


Size of Enterpirse

Micro (0-9 employees)
Small (10-49 employees)
Medium Sized (50-249 employees)



The region as 100 people

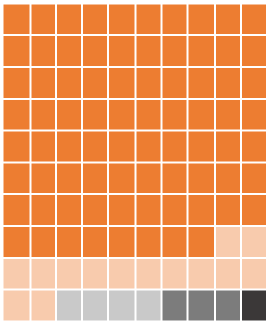


Age Band

Children

Working age adults

65 and over



Ethnicity

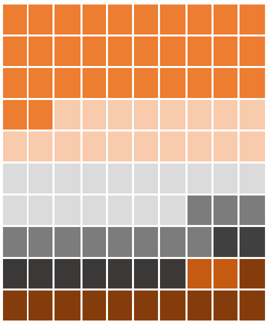
White

Asian/Asian British

Black/Africa/ Caribbean/Black British

Mixed/Multiple ethnic

Other



Qualifications

NVQ4 and above

NVQ 3 (only)

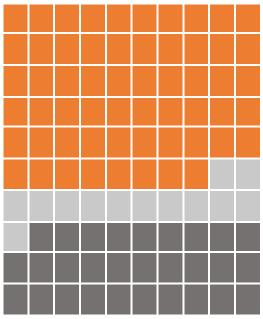
NVQ 2 (only)

NVQ 1 (only)

Other

Trade Apprenticeships

No Qualifications

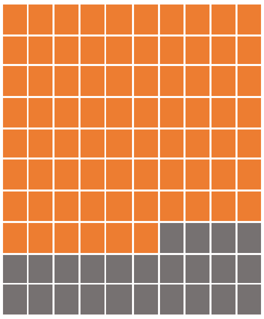


Physical Activity

Physically Active

Fairly active

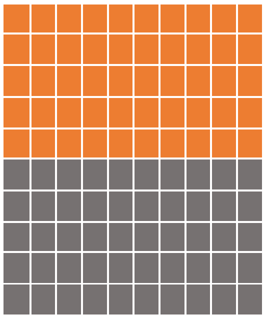
Inactive



Employed

Working age and active

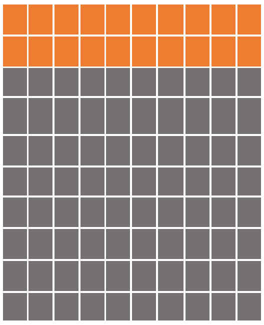
Working age and inactive



Gender

Female

Male



Deprivation

Residents living in 10% most deprived

Residents not living in 10% most deprived

Balance Outcomes

Balance Outcomes

The WMCA is committed to pursuing and defining success in social and economic terms that feel real to citizens and bring benefits to all who live and work here.

These principals are the basis of the delivery of WMCA and its partners. These indicators can be used as outcome measures by partners, the WMCA uses them within its annual planning process and the performance management framework.

For the purposes of this report we have separated key metrics into the following five pillars, that recognise the importance not only of growth and productivity improvements, but also the contribution of vibrant communities and resilient citizens in creating economic success and places that people want to live and work in. The executive summary report is available online[1,2].

Theme:	Ambitions:
Section 1: Economic growth - Developing the regional economy underpins our ambitions. As the export centre of the UK, our economic success is vital to Britain's future.	✓ Improved GVA in line with the UK Average. ✓ Decoupling growth from emissions.
Section 2: Business Competitiveness & Productivity - Britain's businesses are facing considerable uncertainties because of Brexit, but in the West Midlands we are steadily rebooting our reputation.	✓ Improved the productivity of our businesses focusing on our growth sectors; ✓ Improved competitiveness through energy and resource efficiency and stimulate new technology and business.
Section 3: Employment, Education and Skills - Building the right skills is key to delivering improved productivity and prosperity - enabling all groups to access jobs.	✓ Improved skills levels so that people have the skills and qualification to access jobs.
Section 4: Health & Wellbeing - We want improved life chances for all residents, including those facing particular disadvantages or difficulties.	✓ Improved life chances for all; ✓ To reduce our health inequalities and improve the health and wellbeing of our population including physical activity and mental health; ✓ To reduce offending and re-offending.
Section 5: Place - We will improve the connectivity of people and businesses to jobs, markets and housing - developing local places and communities.	✓ Improved the connectivity of people and businesses to jobs and markets; ✓ improved the quantity of high quality, readily available development sites; turning brownfield sites to high quality locations that meet our housing and business needs. ✓ Improving place, infrastructure, air quality and environment through addressing climate change.

[1] Add link to report on website

[2] The sources for the data are set out in the full technical report.

Section 1:
Economic growth

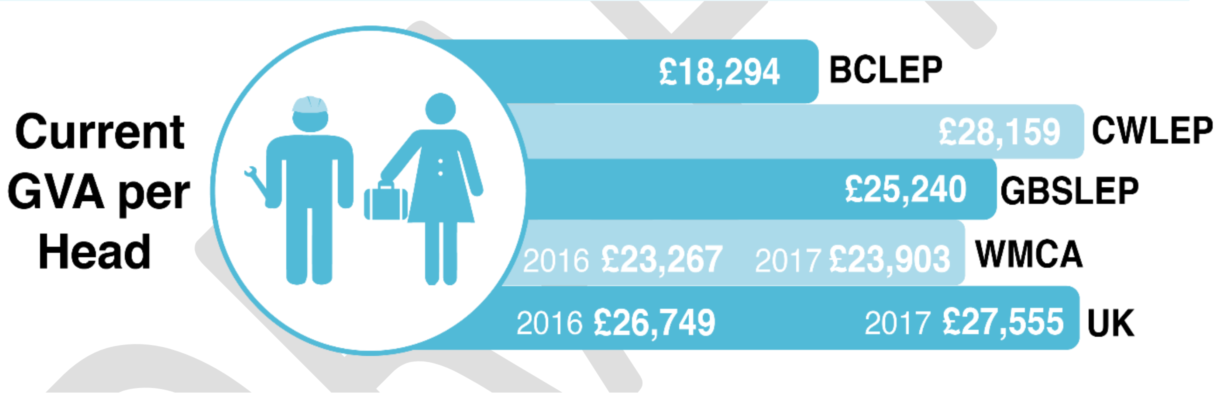
Economic Growth

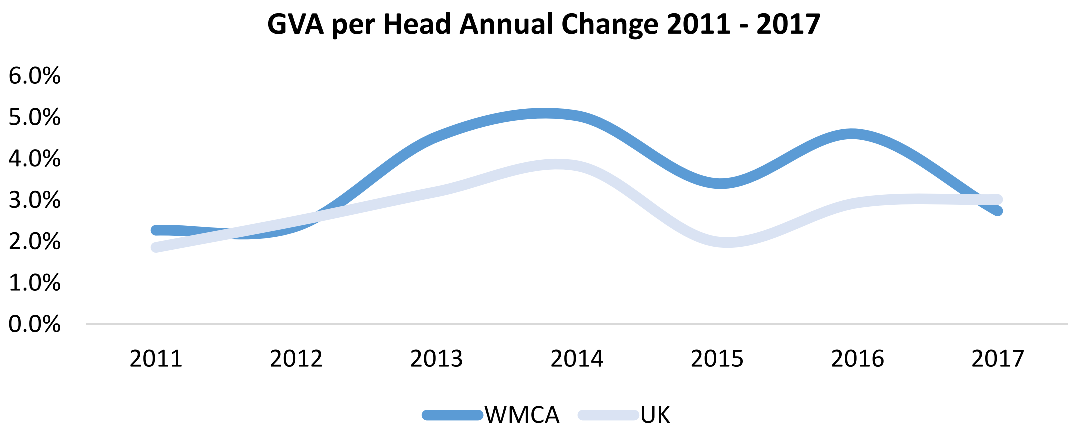
Developing the regional economy underpins our ambitions – not only to deliver growth that all citizens benefit from, but also, as the export centre of the UK, that will power the UK economy after Brexit. Economic growth, as measured by GVA has seen strong growth (3.6% from 2016-2017 - in line with national growth) and areas within outperforming the national average (4.3% in the Black Country). Over time the WMCA economy has outperformed other Combined Authority areas.

However, the region is still falling well short of fulfilling its economic potential. The output gap, which measures the difference between per head economic output and potential stands at £15.1bn across the 3 LEP geography.

Gross Value Added (GVA)

- The WMCA total Gross Value Added (GVA) in 2017 was **£99bn,** contributing **5%** to the total UK GVA.[3]
- Since 2016, total GVA for the WMCA has increased by **3.6%** which is in line with the UK growth. However, since 2013 the WMCA's total GVA has increased by **20.8%** exceeding the UK's growth rate of **15.7%**.
- There is considerable variation in terms of GVA per head across all areas with an average GVA of head for the WMCA of **£23,903** which is below the UK average of £27,555.
- GVA per head in the WMCA has grown by **2.7%,** slightly below the UK average of 3.0% over the past year. Between 2013 and 2017 GVA per head increased by **16.7%** equating to an additional **£3,421 GVA per head**. While across the UK, GVA per head has increased by **12.3%** since 2013 and is currently **£27,555**.
- The WMCA GVA per head needs to increase by **£3,652** to be in line with the UK.

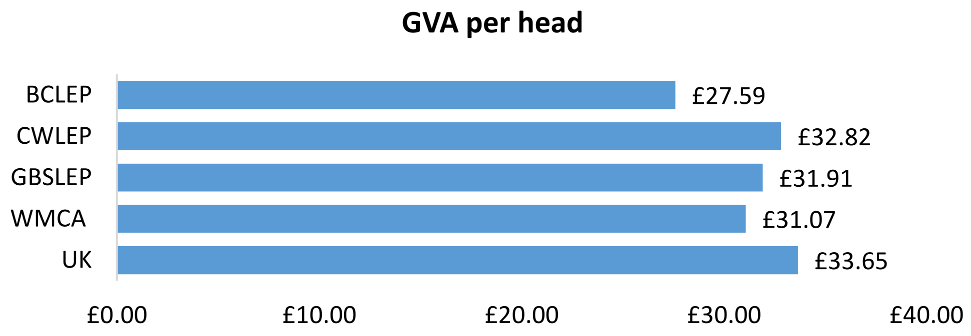




Source: ONS, Balanced Gross Value Added (GVA (B)), 2018

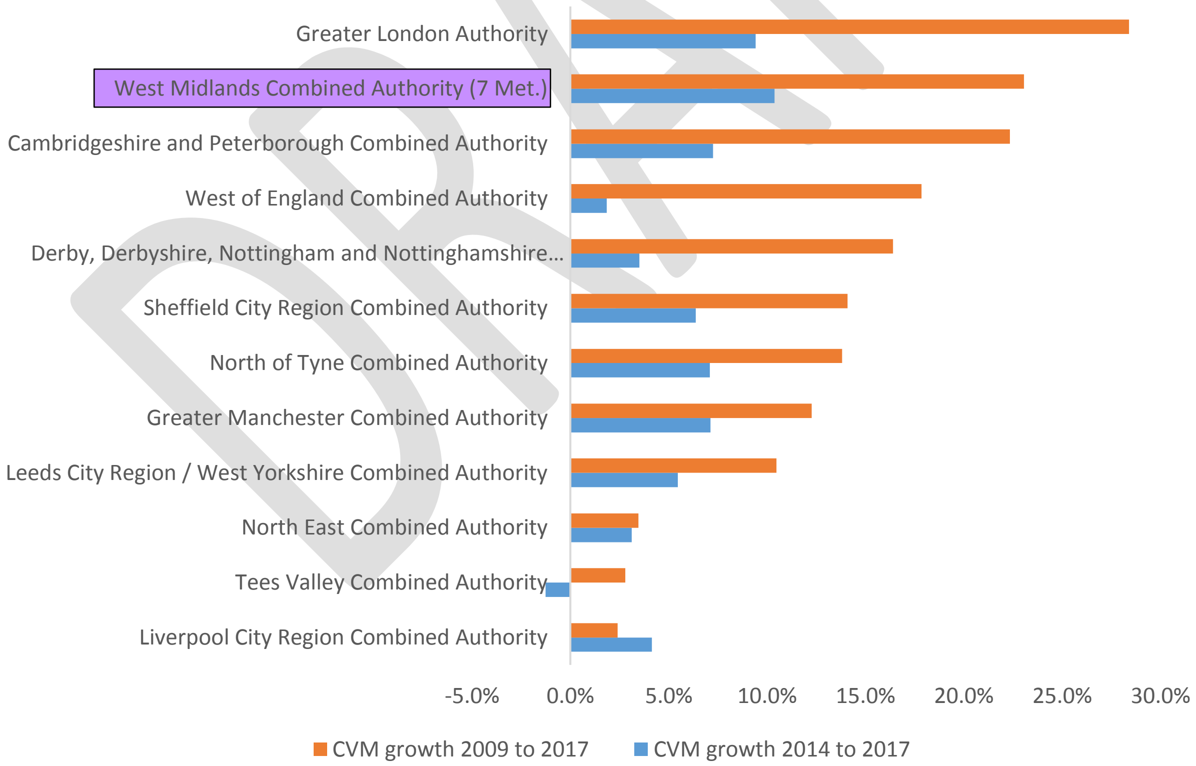
[3]Office for National Statistics (ONS), Balanced Gross Value Added (GVA (B)), 2018

- For the third time in the last 4 years, the WMCA's GVA per hour has increased at a faster rate compared to the UK (**3.1%** compared to **2.5%** from 2016-2017) and is currently **£31.07** per hour worked. However, GVA per hour needs to increase by **£2.58** to reach the UK level.



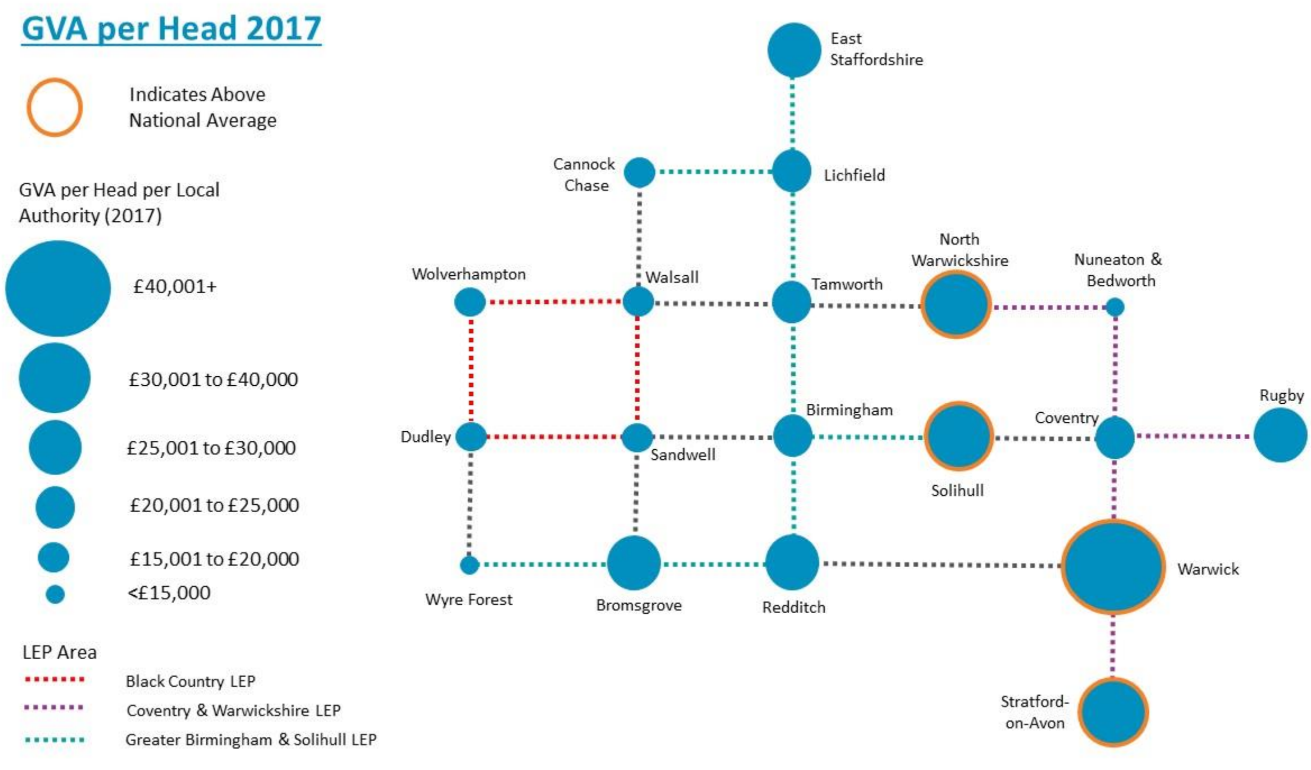
Source: ONS, Sub regional Productivity - Nominal unsmoothed GVA per Hour Worked, 2019

- The West Midlands 7 Met. area experienced the highest growth in chained volume measure (CVM) GVA from 2014 to 2017 compared to other Combined Authorities which can be seen in the figure below.
- Since 2009, there has been a **23.1%** growth in CVM GVA for the West Midlands 7 Met. area.



Source: ONS, Balanced Regional Gross Value Added (GVA(B)), 2018

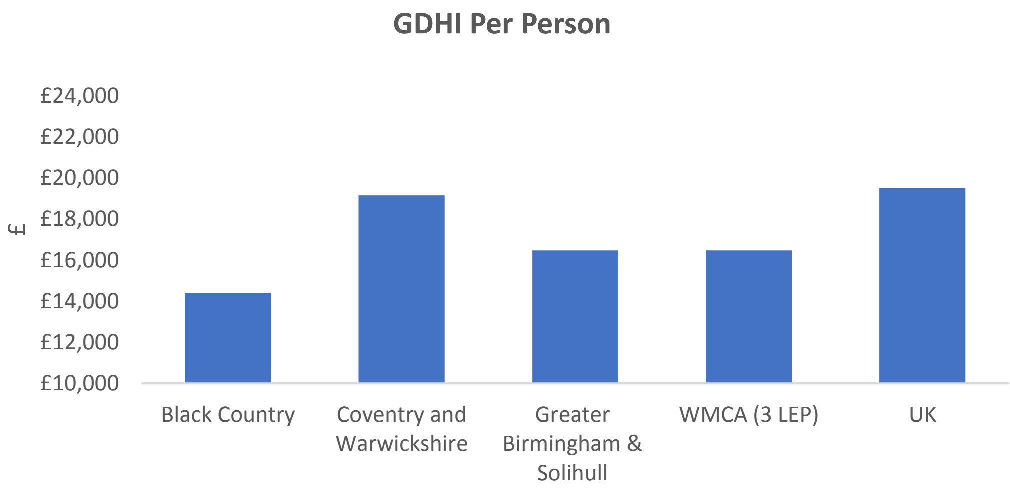
- The following map shows GVA per head across the WMCA in 2017. There are four local authorities with GVA per head above the national average with Warwick being the highest at **£42,643**



Source: ONS, Nominal and real regional gross value added (balanced) by industry, 2018 and mid-year population estimates, 2018

Gross Disposal Household Income (GDHI) per Person

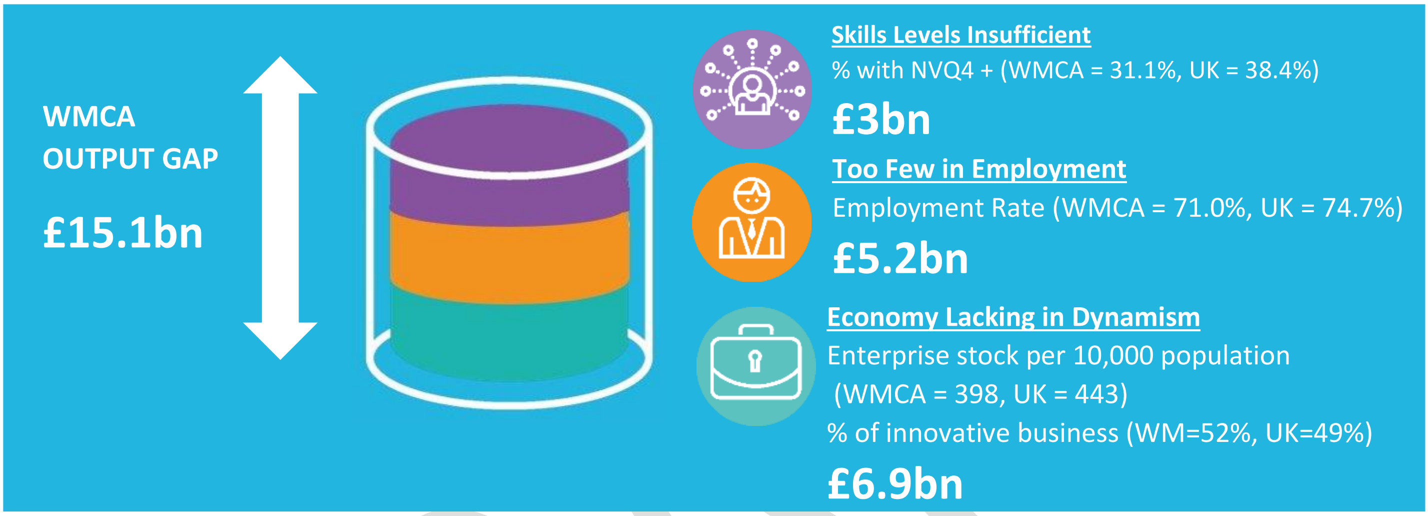
- Gross Disposable House Income (GDHI) per person is the amount of money available for an individual within the household sector for saving or spending after direct and indirect taxes have been deducted and any direct benefits has been received. In the WMCA, GDHI per person in 2017 was **£16,479** and has grown by **6.9%** since 2014. The UK GDHI per person is £19,514 and has increased by 6.7% over the same period. GDHI per person needs to increase by **£3,035** in the WMCA to be in line with the UK.



Source: ONS, Regional Gross Disposable Income, 2019

Productivity Challenge

- Total WMCA GVA has increased year on year since 2009, from 2013 there has been an increase of £17bn overall. In the context of the UK average, with the WMCA total GVA growing at the same rate, GVA per head increasing at a slower rate and the population growing at a faster rate there is still an output gap of **£15.1bn**.
- The figure below demonstrates the components of the output gap and outlines the impact on productivity.
- Insufficient skills levels and too few residents in employment account for **54%** of the overall £15.1bn output gap. The remaining £6.9bn can be attributed to an economy lacking dynamism which represents low performance in competition, and a lack of investment, enterprise and innovation despite WMCA enterprise births exceeding UK rate. It's therefore important for the WMCA to support existing and new enterprises in competitive industries to grow and diversify in their expertise in order to lead in innovation.

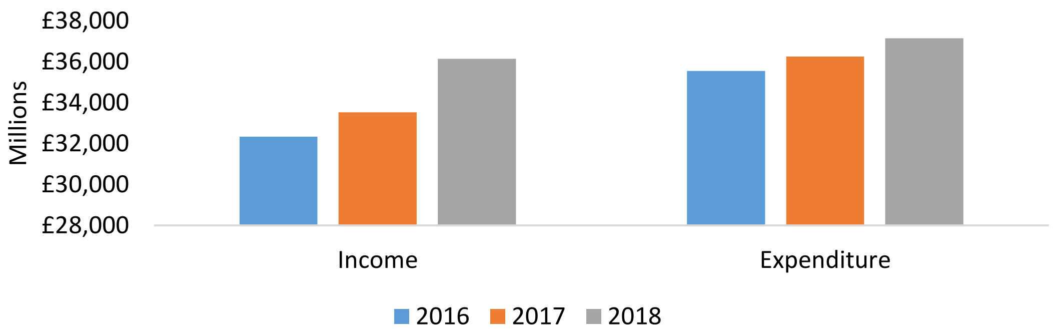


Sources: Annual Population Survey, 2018, ONS, Business Demography, 2018 and Department for Business, Energy and Industrial Strategy, The UK Innovation Survey, 2018

Fiscal Gap

- The WMCA ambition is to become a net contributor to the national purse. The WMCA is currently a cost centre with a net deficit of approximately **£1bn**. Currently tax income is estimated at **£36.1bn** and public identifiable expenditure at **£37.1bn**. ONS include all expenditure including non-identifiable which if included would raise total expenditure to £44.4bn which would lead to a fiscal deficit of £8.3bn.

WMCA Income and Expenditure 2016 - 2018



- There are ten streams of Identifiable Expenditure with the largest share at **44.9%** arising from social protection (£16.7bn). This is followed by health at **24.1%** (£8.9bn) and education with **14.9%** (£5.5bn).

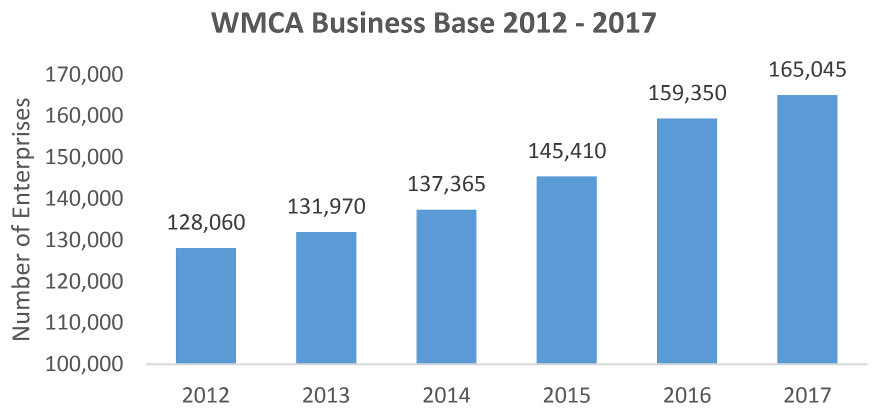
Section 2:
Business Competitiveness & Productivity

Business Competitiveness & Productivity

A world-class business base continues to underpin the West Midlands' economic renaissance. Enterprises – in total and those defined as high-growth – are still growing and we are making significant productivity gains. Our unique ability to export at scale across the world is driving success in the region across sectors.

Business Base[4]

- There are currently **165,045** active enterprises in the WMCA. This is an increase of **5,695** enterprises on the previous year. Between 2014 and 2017, the business base has increased by **20.2%** compared to **15.7%** across the UK.



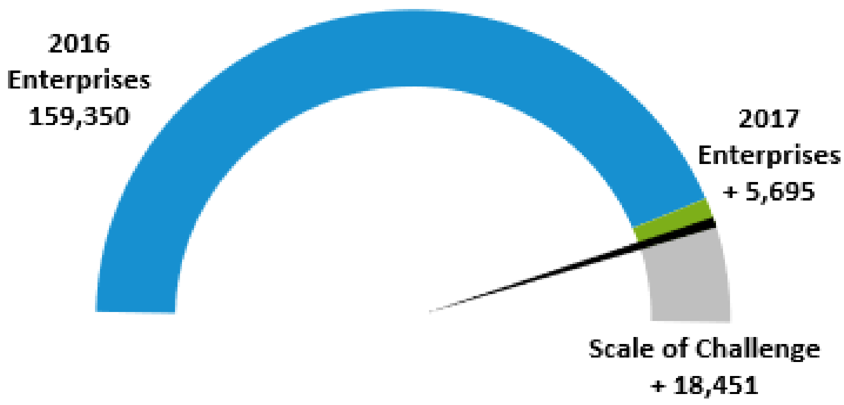
Source: ONS, Business Demography, UK: 2018

- The business, professional and financial services industry for the WMCA still contains the highest amount of enterprises and in 2018 reached **37,570**. This was followed by retail at **23,675** enterprises.
- In the last year, the public sector including education industry has seen the largest percentage increase in the number of enterprises **(8.4%, + 460 enterprises)**, followed closely by cultural economy including sports **(7.4%, + 715 enterprises).** The number of enterprises also increased in the construction **(+380)**, retail **(+100)** and low carbon and environmental **(+35)** sectors.

Enterprise Count by Sector	2017	2018	2018 % of Total	Difference	% Change (WMCA)	% Change (UK)
Advanced Manufacturing and Engineering	16,870	16,530	11.4%	- 340	-2.0%	-0.04%
Business, Professional and Financial Services	37,945	37,570	26.0%	- 375	-1.0%	-0.5%
Construction (Building Technologies)	16,150	16,530	11.4%	380	2.4%	3.7%
Cultural Economy inc. Sports	9,620	10,335	7.1%	715	7.4%	2.1%
Digital and Creative	14,285	14,155	9.8%	- 130	-0.9%	-1.0%
Life Sciences & Healthcare	8,340	7,535	5.2%	- 805	-9.7%	-9.0%
Logistics & Transport Technologies	12,535	11,715	8.1%	- 820	-6.5%	-0.3%
Low Carbon and Environment Technologies	695	730	0.5%	35	5.0%	5.4%
Public Sector Inc. Education	5,465	5,925	4.1%	460	8.4%	-2.2%
Retail	23,575	23,675	16.4%	100	0.4%	1.3%
Total	145,480	144,700		-780		

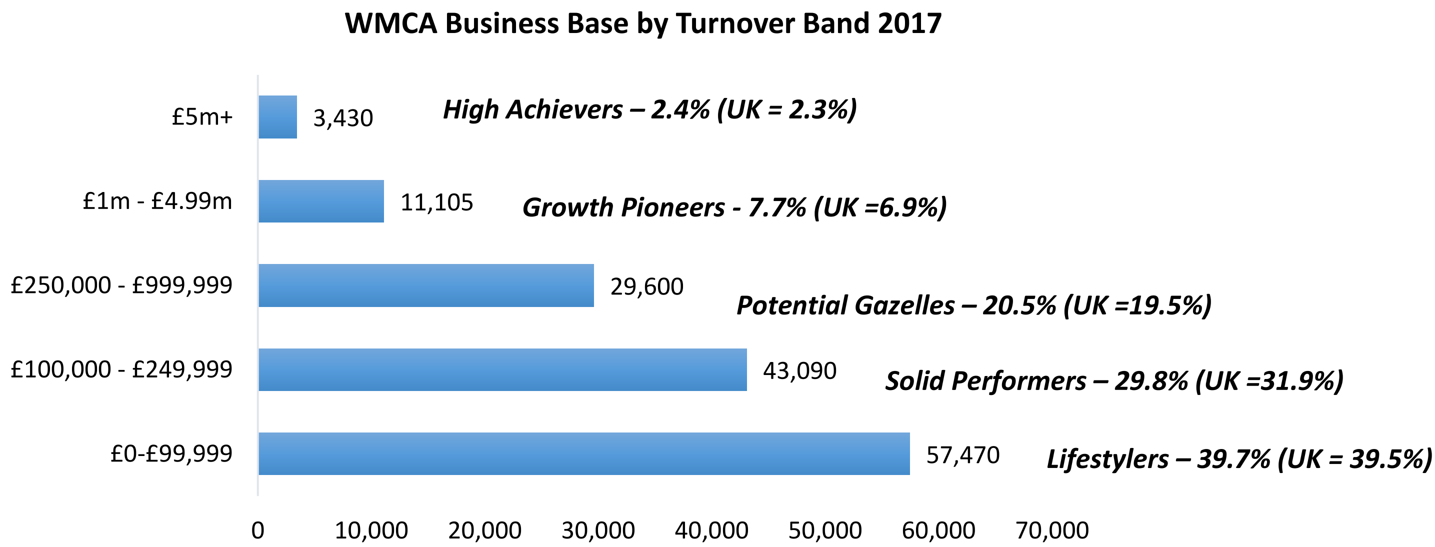
[4] ONS Business Demography, UK: 2018

- There are **398** enterprises per **10,000** population compared to **443** across the UK. To reach the national average, the WMCA needs to increase its enterprise stock by **18,451.**



Source: ONS (2018) UK Business Demography, 2018

- The following graph illustrates the composition of the WMCA Business base by turnover band.[5]

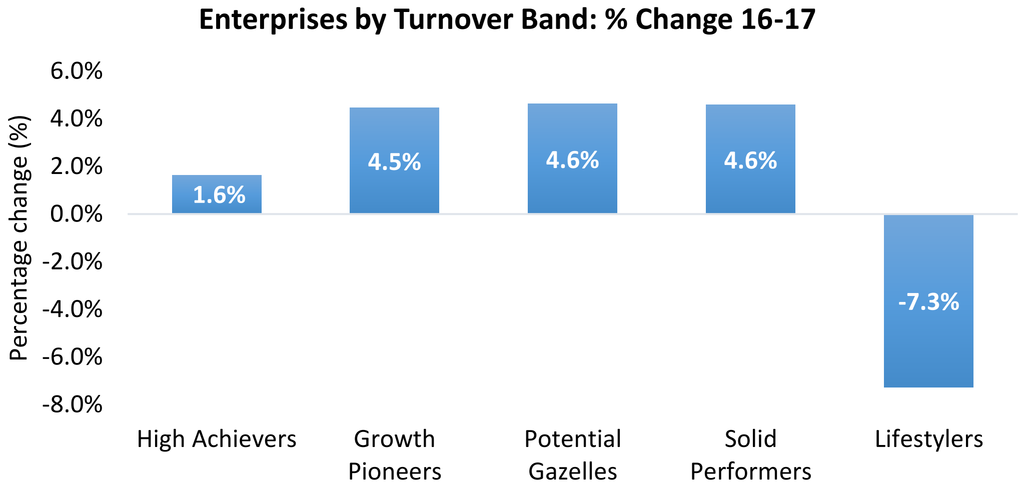


Source: ONS, UK Business – Activity Size and Location, 2018

- **3,430** enterprises in the WMCA (2.4% of the total) are classified as *High Achievers* due to their £5m + turnover. There are **11,105** *Growth Pioneers* (7.7%) – turnover between £1m and £4.99m - with the rest of the economy made up <£1m turnover firms: *Potential Gazelles* (£250k-£999k, 20.5%), *Solid Performers* (£100k-£249k, 29.8%) and *Lifestylers* (£0-£249k, 39.7%).
- 70% of enterprises in the WMCA have an annual turnover less than £250,000, with **10% generating over £1million in turnover.**

[5] UK Business Counts – Enterprises by Employment Size Band and Industry.
Currently the business demography dataset does not provide a breakdown by turnover or sector of the 165,045 registered enterprises. However, this breakdown can be obtained via the UK Business Count dataset which is a snapshot (March 2018) of the Business Demography dataset. At the time of the snapshot there were 144,695 enterprises in the WMCA for breakdown analysis by industry, employment size band and turnover.

- Our region now has a larger share of both *high achievers* and *growth pioneers* than the UK average (**2.4% and 7.7%** compared to 2.3% and 6.9%).

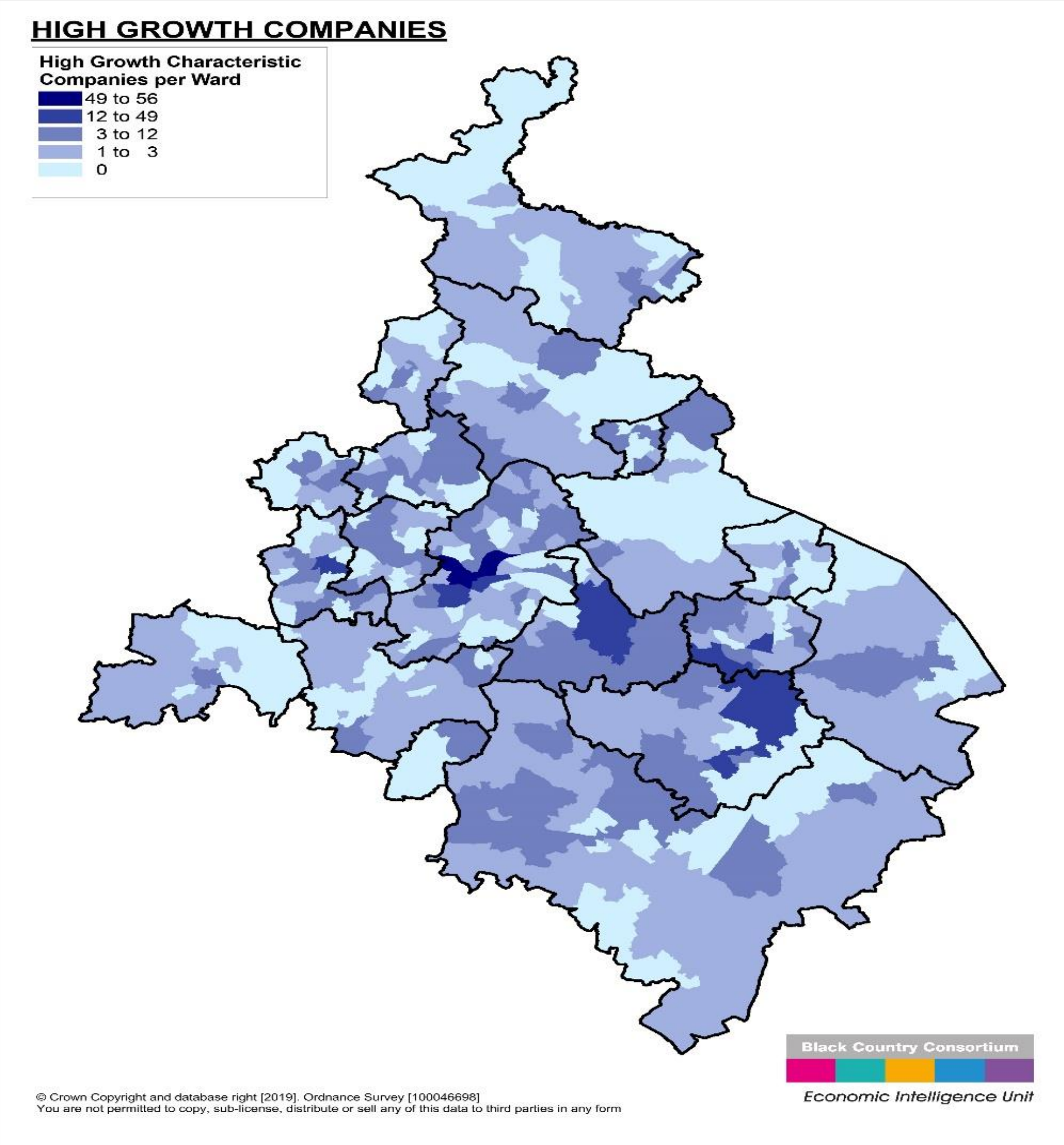


Source: ONS, UK Business – Activity Size and Location, 2018

- **26%** of all enterprises in the WMCA are located in Birmingham, with other areas of relatively high business density including Coventry (7% of total), Dudley (7% of total), Sandwell (6% of total) and Solihull (6% of total). Bromsgrove has the largest number of enterprises per 10,000 population: **1,041.**[6]
- The share of high-growth enterprises varies across the WMCA's 3 LEPs, but all currently have a rate below the UK's 6.3%. Between 2014 and 2017, **6.1%** of firms in Coventry & Warwickshire were high-growth according to the OECD definition; **5.7%** of firms in Greater Birmingham and Solihull were high growth and **4.4%** in the Black Country.[7]
- This spatial dimension is reflected is also reflected in wider data. Based on a number specific "triggers" to identify companies, **983** enterprises in the WMCA are deemed to have **high-growth** characteristics.[8]
- The map below demonstrates the spatial distribution of these high-growth enterprises across the WMCA.

[6] Source: ONS, Business Demography,2018
[7] Enterprise Research Centre: UK Local Growth Dashboard (June 2018). High-Growth is defined by the OECD as annualised average growth in employment of 20% or more over a three-year period (in this case applied to 2014-2017).
[8] The identification of these companies is based on the Beauhurst database and platform. Beauhurst utilise 8 "triggers" to track companies with high-growth characteristics in the UK: equity/venture debt investment; academic spinout; scaleup; accelerator graduate; MBO; high-growth list; innovation grant recipient

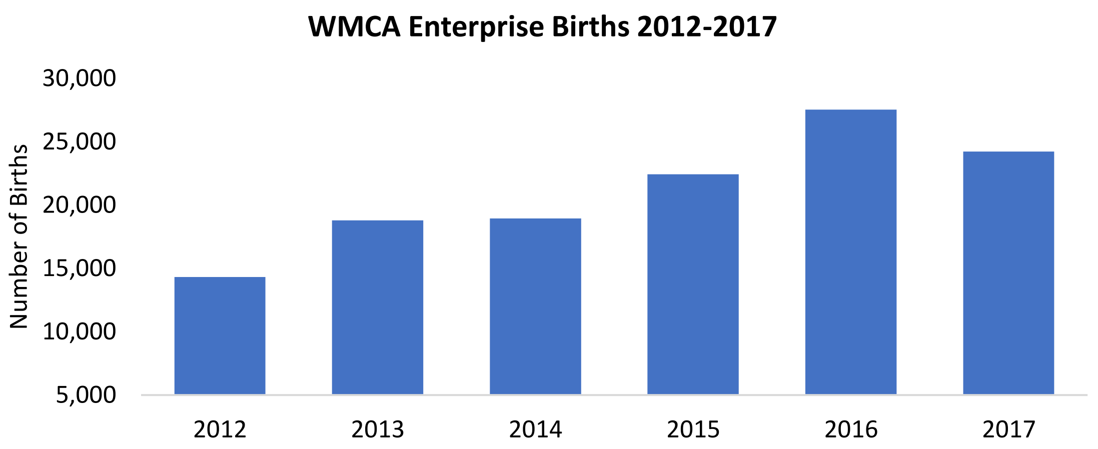
Spatial Distribution of WMCA Companies with High-Growth Characteristics



- Over half (**549**, 56%) of the enterprises with a high-growth characteristic in the WMCA are located in Greater Birmingham and Solihull LEP.
- **256** enterprises in Coventry & Warwickshire have at least one high-growth characteristic, with 178 in the Black Country.
- As displayed in the map across, there's a concentration of firms with high growth characteristics in town and city centres, in particular Birmingham, Solihull, Coventry and areas of Dudley.
- There's also pockets of perceived high growth activity in outer areas such as Warwick, Stratford-on-Avon and parts of Tamworth and Lichfield.
- **31%** of the 983 identified firms are described as Industrials, with Business and Professional Services (**23%**) and Technology/IP-based enterprises (**15.4%**) the next most common sectors represented.

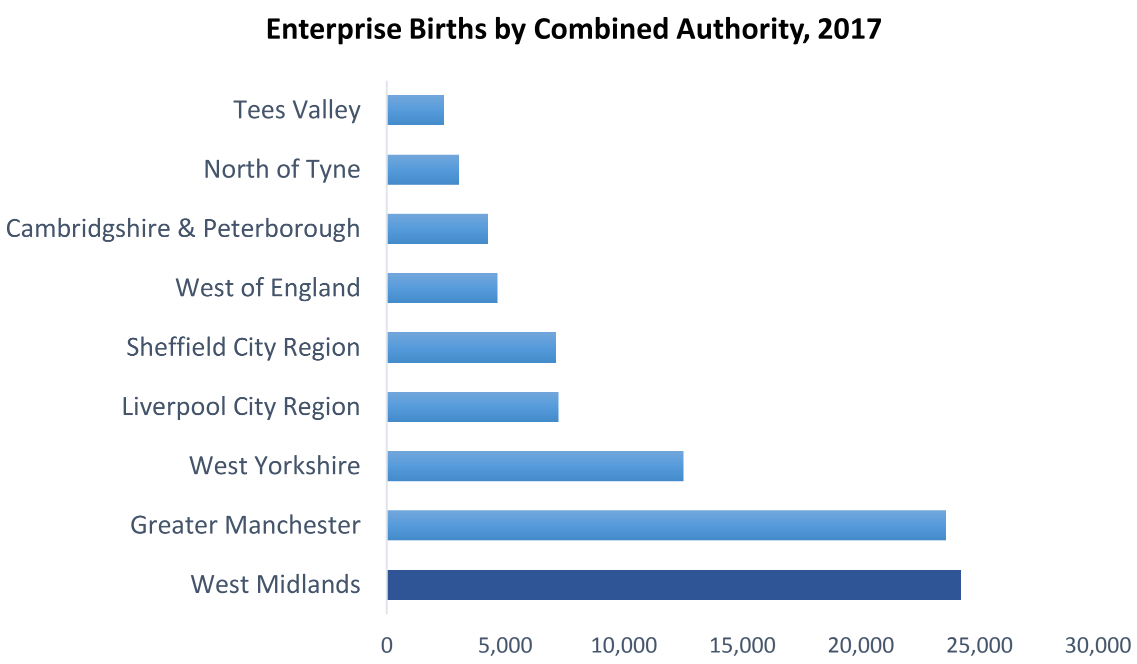
Enterprise Births and Survival

- **24,230** new enterprises were started across the WMCA in 2017. This is **29%** more births than in 2013 compared to a **10%** increase nationally.
- Enterprise births have fallen since 2016 in both the WMCA **(-12%)** and the UK overall **(-7.7%).**



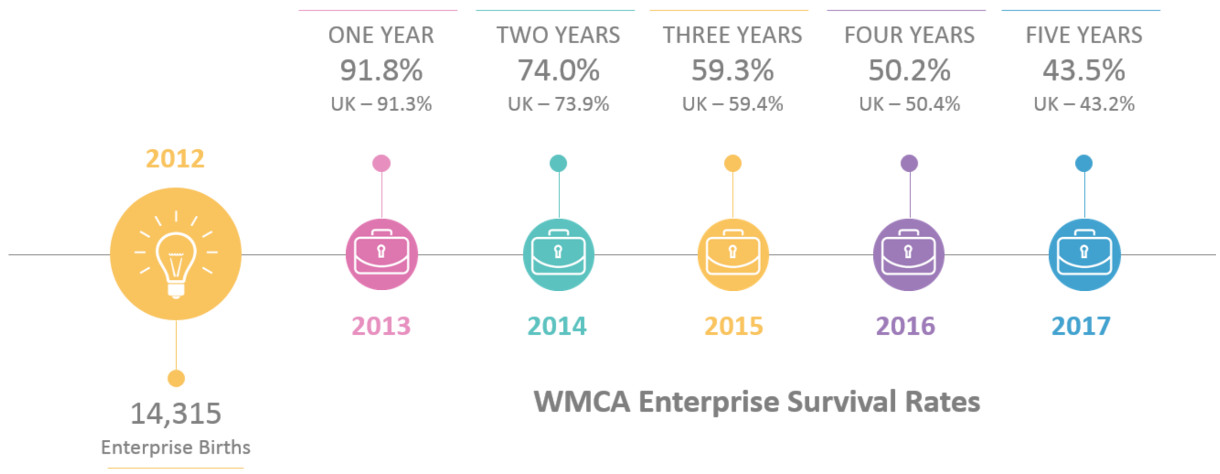
Source: ONS Business Demography, UK: 2018

- The WMCA has **58** enterprise births per **10,000 population** which is in line with the UK average.
- The WMCA also the combined authority with the highest number of enterprise births.



Source: ONS Business Demography, UK: 2018

- The Business Admin and Support sector recorded the highest number of enterprise births in 2017 (**5,265**), followed by Professional, Scientific and Technical activities (**3,625**) and Construction (**2,695**).
- Of the three WMCA LEPs, the Black Country has the highest proportion of firms born in 2014 that went on to generate between £500k and £1million in turnover within three years (**1.8%**). All three LEPs are below the UK rate (**1.9%**) for this measure. (CWLEP = 1.6%, GBSLEP = 1.6%).[9]
- Out of 27,545 enterprise births in 2016, **92.5%** survived their first year, above the UK rate of 91.5% and an increase on the previous period. Longer-term, enterprise survival in the WMCA is above the national average: across the WMCA **43.5%** of 2012 births survived to 2017, compared to 43.2% in the UK overall.



Source: ONS Business Demography, UK 2018

Business Sentiment

- The latest regional Purchasing Managers Index (PMI) indicates that most UK regions experienced subdued growth or a fall in output in March 2019 compared to the previous month[10].
- In the West Midlands region, output only rose slightly (an index of **50.9**) in March, completing a subdued first quarter which saw a fall in business activity in January (**49.5**) and more modest growth in February (**52.0**). Employment tells a more positive story: the West Midlands is one of only two regions to have achieved employment growth in each month of the first quarter.
- A reduction in regional business activity on last year suggests the impact of continued uncertainty is clear though: in the first quarter of 2018 the West Midlands' output index was above **53.0** in all three months, including **56.0** in February 2018.
- Mirroring the national trend of a struggling high street, **475 stores** closed in the West Midlands region in 2018. 287 new stores opened, resulting in a net closure of **188** – the largest fall in the region over the last five years.[11]
- Birmingham saw the highest net loss with **23** stores, followed by Walsall (16), Tamworth (11), Wolverhampton and Solihull (8) and Dudley (7).

Business Sectors and Sub-Sectors

[9] Enterprise Research Centre: UK Local Growth Dashboard (June 2018)
[10] NatWest/IHS Markit Regional PMI (January, February and March Releases 2018 and 2019). A PMI reading above 50.0 signals expansion in business activity.
[11] PWC (2019): Store openings and closures – 2018

- We continue to take a dual approach to evidence and policy: focusing on key sectors of the West Midlands economy as well as cross-cutting themes such as skills, innovation and infrastructure.
- Our seven transformational sectors and three enabling sectors remain the basis of our sectoral analysis, but we now dig deeper to understand the characteristics of sub-sectors and where the West Midlands' strength truly lies within these. This granular analysis has been crucial evidence for the **Productivity & Skills Commission** and the **West Midlands Local Industrial Strategy.**
- There are currently **1.9 million people** working in the WMCA area – approx 1.2 million of which work in our **7 transformational sectors.** Construction has shown the largest growth in jobs in the last year (**17.2%**) followed by Low Carbon & Environmental Technologies (13.8%).[12]
- Half of our 10 sectors have had faster jobs growth than the national average in the last year.
- In a more detailed analysis, we have identified sectors and sub sectors that have particularly high productivity. The WMCA's most productive sub-sector is real estate activities (**£306,007 -** GVA per employee), followed by Electricity, Gas, Steam and Air Conditioning (**£166,918**).

Jobs by Sector	2016	2017	2017 % of Total	Difference	% Change (WMCA)	% Change (UK)
Advanced Manufacturing & Engineering	189,520	**192,355**	10.3%	2,835	**1.5%**	2.9%
Construction (Building Technologies)	108,220	**126,800**	6.8%	18,580	**17.2%**	4.5%
Business, Professional & Financial Services	360,345	**387,855**	20.8%	27,510	**7.6%**	-0.1%
Digital & Creative	68,025	**67,650**	3.6%	-375	**-0.6%**	2.0%
Life Sciences & Healthcare	250,540	**250,220**	13.4%	-320	**-0.1%**	2.5%
Logistics & Transport Technologies	117,295	**108,145**	5.8%	-9,150	**-7.8%**	-2.2%
Low Carbon & Environmental Technologies	23,360	**26,575**	1.4%	3,215	**13.8%**	7.2%
Public Sector Inc. Education	230,700	**236,000**	12.7%	5,300	**2.3%**	0.8%
Retail	303,100	**304,050**	16.3%	950	**0.3%**	0.8%
Cultural Economy Inc. Sports	153,330	**161,920**	8.7%	8,590	**5.6%**	2.2%
Total	**1,804,435**	**1,861,570**		**57,135**	**3.2%**	**1.3%**

- Using a criterion[13] suggests that the West Midlands has distinctive strength in:
  - **Electricity, gas, steam and air conditioning**
  - **Manufacture of machinery, motor vehicles and other transport**
  - **Manufacture of rubber, plastic and other non-metallic goods**
- Productivity improvements across all sectors is crucial however, especially as the WMCA's 15 least productive sub-sectors contribute **over £14bn GVA and 631,757 jobs**. This is over double the amount of jobs in the WMCA's 15 most productive sub-sectors, demonstrating the large share that low-productive sub-sectors have in the regional economy.

[12] Business Register & Employment Survey (BRES), 2018
[13] The following criteria is used to determine these sub-sectors of strength: High productivity (GVA per employee within top 15 and higher than UK or within £5,000); Highly specialised (LQ higher than 1.25); High number of jobs (>10,000)

West Midlands Local Industrial Strategy

- A comprehensive, robust and wide-ranging evidence base underpins the West Midlands LIS, providing key insight on the region's strengths, opportunities and challenges across sectors, foundations of productivity and the industrial strategy "grand challenges". This evidence has been collated and developed in the last year to support the LIS, and has received feedback and validation from an independent expert panel.

- As the LIS moves into implementation, we will continue to use detailed evidence to make the case for the right investment and interventions. A key example of how we've approached this so far is the identification of four **'strategic opportunities'** within the LIS and the identification of these through robust intelligence:

    1. **Future of Mobility**
    2. **Modern Services**
    3. **Data-driven health and life sciences**
    4. **Creative content, techniques and technologies**

We have produced a suite of flow diagrams evidence the selection of the four strategic opportunities, and maps identifying key assets within each. An example for Future of Mobility is included on the following page.

Future Mobility: Evidence to Opportunity

Granular Evidence Base

Sectors

- The home of UK automotive: the West Midlands produces 1/3 of all cars manufactured.
- We have the second highest employment location quotient for automotive in UK (4.5).
- There are 70,000 transport manufacturing jobs in the WMCA, e.g.in auto, aero & rail.
- More than 20% of automotive parts manufacturing firms in the UK are in our region.
- Major aerospace clusters, such as within electro-mechanical systems (Moog & UTC).
- Most railway supply GVA of CA's and distinct future potential (digital rail, light rail).

Strong competitive advantage in mobility-based sectors- automotive, aerospace and rail– supported by world-class innovation assets and a deep, diverse base of both OEMs and foundation industry firms and supply chains (metals and materials).

- New nationally significant research assets (UKBIC, APC).
- Leading the way on 5G.
- At the forefront of EV and CAV – including 5 testbeds.
- Responsive and proactive transport sectors.
- Mobility opps around 2022 CWG.

Foundations

Ideas: UK centre for transport R&D and innovation with 30 major R&D sites & 37 live future mobility projects. Unparalleled range of world-class innovation assets.

Infrastructure: £50m investment to make the West Midlands the UK's first 5G-ready region, integrated multi modal system linked to HS2.

Business Environment: 20 major vehicle manufacturing sites supported by a wealth of innovative tier 1,2,3 supply chain firms.

Place: Booming public transport offer, with the busiest rail station outside of London, and utilising new modes to move people & goods.

Assets

Innovation/Research: Horiba MIRA, Warwick Manufacturing Group, Manufacturing Technology Centre, National Transport Design Centre, UK Battery Industrialisation Centre, Advanced Propulsion Centre, Centre for Railway Research & Education, Very Light Rail Innovation Centre.

Infrastructure: HS2 ,National College of High Speed Rail, CAV testbeds, 5G testbeds.

Private Sector: JLR, BMW, Aston Martin, Geely, robust supply chains.

Other: Commonwealth Games, Coventry City of Culture.

Insight & Trends

Global Trends

- Transport could change more in the next 10 years than it has in the last 100, with the move towards connected, autonomous, low –carbon and servitization.
- Industry 4.0 will have a profound effect on manufacturing value chains.
- CAV will catalyse mobility as a service (MaaS) and poor air quality is driving the demand for EVs.
- Urban population growth requires a faster and more efficient movement of people.

- CAV opportunity is worth £50-£100bn to the UK economy.
- A £1 GVA increase in automotive industry is worth £2.2 GVA to the UK economy.

Regional Insight including Grand Challenges

- West Midlands transport infrastructure is receiving high investment through devolution and HS2 links.
- Critical strength of transport innovation and developing CAV testbeds position the West Midlands as the best place to develop mobility testbeds.
- Creating new markets & services in the movement of people and goods can boost connectivity for citizens.

- *Productive travel*: services to minimise disruption to support productivity during travel.
- *Distributed factory*: the movement of goods to support low carbon and timely delivery.
- *Travel for older/mobility impaired people.*
- *End-to-end customer journey* (inter-modal mobility) benefitting the region's citizens.

Strategic Opportunity

Smart Mobility: The West Midlands as the centre of transport innovation in the UK

International centre for development of future modes of transport, nurturing faster, cleaner modes of transport to the benefit of West Midlands citizens.

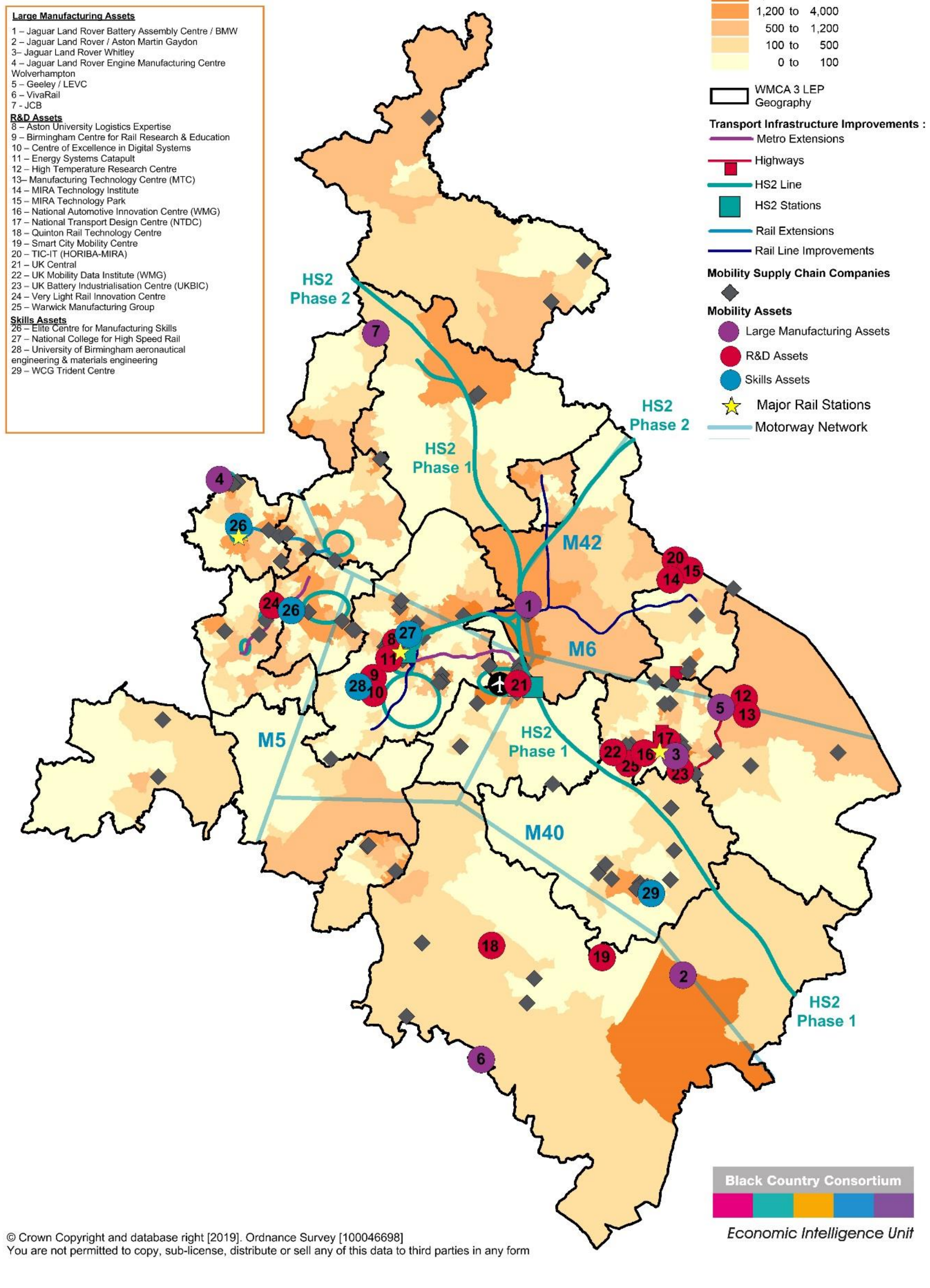
Large-scale battery manufacture utilising factories of the future and building necessary EV charging infrastructure

Integrated transport system connected through 5G and utilised for optimised citizen connectivity and major events.

Capitalising on the HS2 opportunity.

Well-managed transition to EV, CAV, future flight and digital and light rail throughout supply chains.

FUTURE OF MOBILITY



Deepening our evidence base – the West Midlands Local Industrial Strategy

The West Midlands has been a trailblazer in developing a Local Industrial Strategy (LIS), and the Black Country Consortium Economic Intelligence Unit led on the collation of the robust evidence base for the LIS including:

In-depth evidence base across the five foundations of productivity.

Detailed sectoral analysis which includes headline data on sectors as well as evidence demonstrating our competitive advantages within them. Work has begun on a range of sector action plans covering metals and materials, construction, aerospace, rail, automotive, life sciences, food and drink, tourism, creative, logistics & transport, low carbon and professional services.

- Initially through the WMCA Productivity & Skills Commission, the Professional Services sector action plan was the first to commence and to be completed. A collaboration between BPS Birmingham, City-Redi and Black Country EIU produced the analysis which provides a strategic focus for the sector in the region going forward. It can be accessed here: https://www.wmca.org.uk/media/2406/business-professional-financial-services.pdf

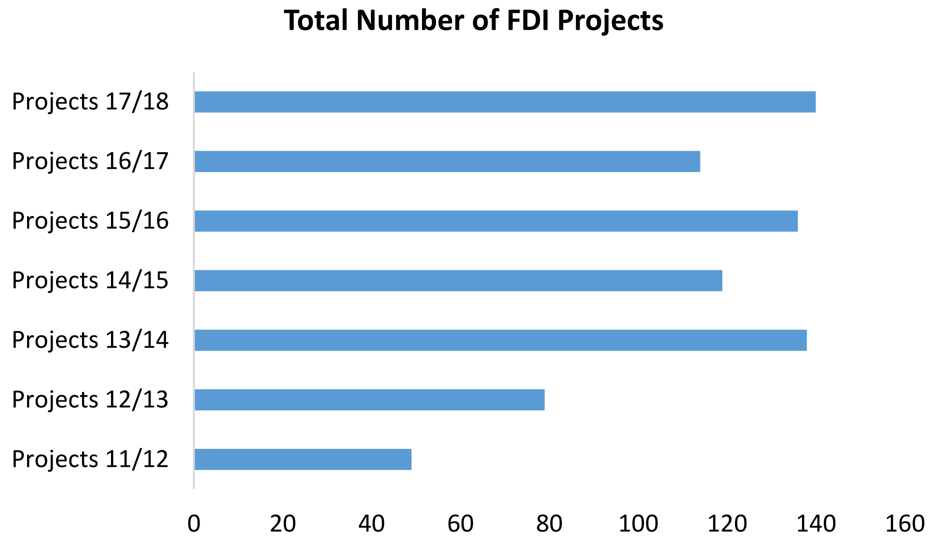
Through an academic lead within the WM LIS group, a broad approach to the grand challenges has been developed. This involves identifying distinctive grand challenge focus areas for the West Midlands, linking these with major investment/activities in the region (e.g. Commonwealth Games, HS2) and looks to co-ordinate research and innovation capabilities around these.

In developing this deep evidence base, we have worked with BEIS analysts and have shared expertise with Greater Manchester, ensuring we are comprehensive and meeting Government expectations. Furthermore, to validate the evidence we have led on the setup of an independent "expert panel" who have begun reviewing our evidence base and making suggestions for the future.

Our evidence base is continually being updated and enhanced and is available via https://www.blackcountrylep.co.uk/about-us/west-midlands-combined-authority/local-industrial-

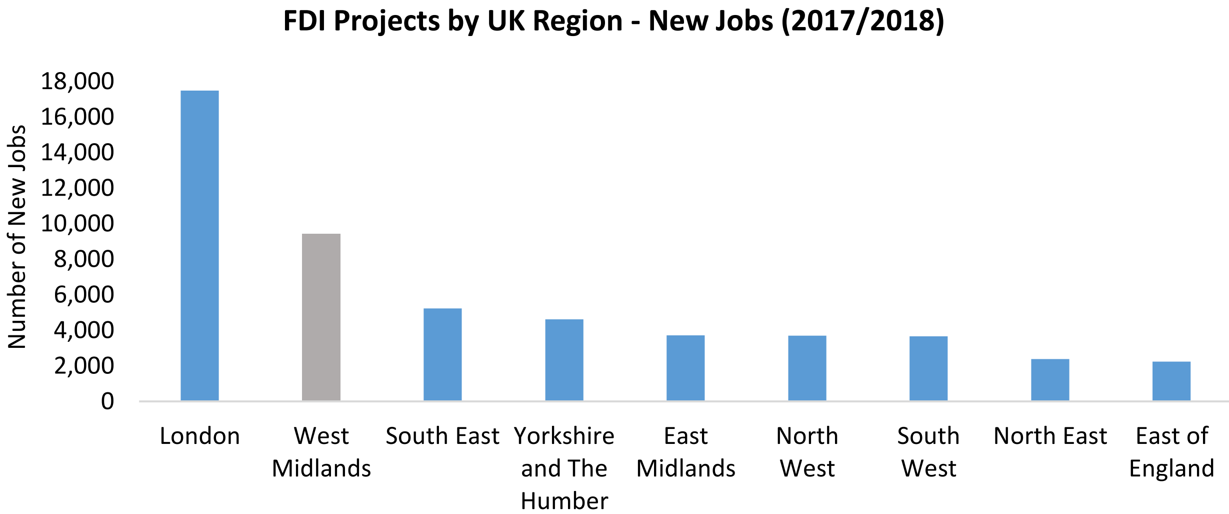
Foreign Direct Investment

- The WMCA has received **775** Foreign Direct Investment (FDI) projects since 2011/12 to 2017/18. This has led to the creation of nearly 46,000 new jobs since 2011/12.[14]
- The number of FDI projects in the WMCA area has more than doubled from **49** in 2011/12 to **140** in 2017/18. This far exceeds the average growth rate for the whole of the UK which grew by **47.4%** in the same period.



Source: Department of International Trade (2018) Inward Investment

- In 2017/2018 the West Midlands Region created over 9,424 new jobs from FDI projects – the highest level for any region outside of London.



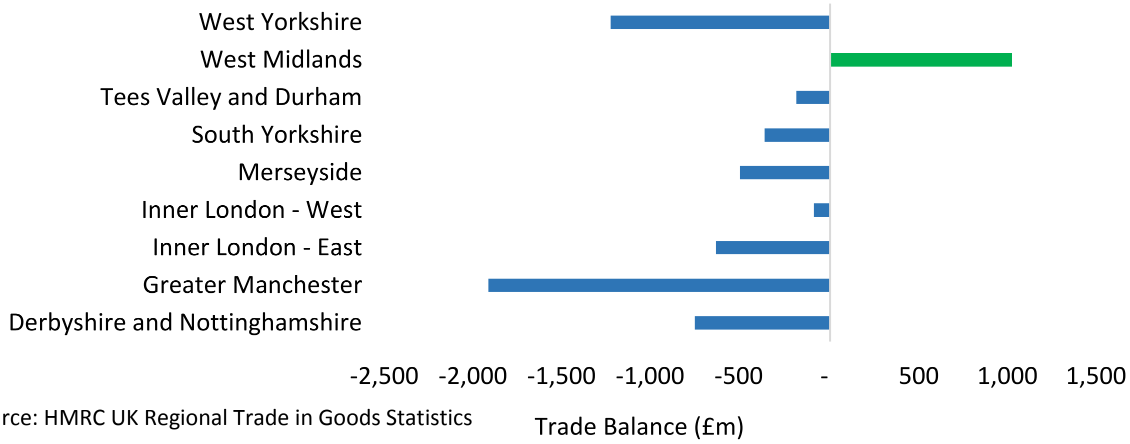
Source: Department of International Trade (2018)

[14] Department of International Trade (2018) Inward Investment

Exports

- The West Midlands is the export capital of the UK. The WM 7 Met. exported **£17.8bn** worth of goods across the world in 2017, **£11.1bn** of which went outside of the EU.
- Outside of London, the WM 7 Met. exports more goods than any other comparator UK region, and has a uniquely strong trading position with major global economies.

Trade Balance with China - Selected English NUTS2 Areas

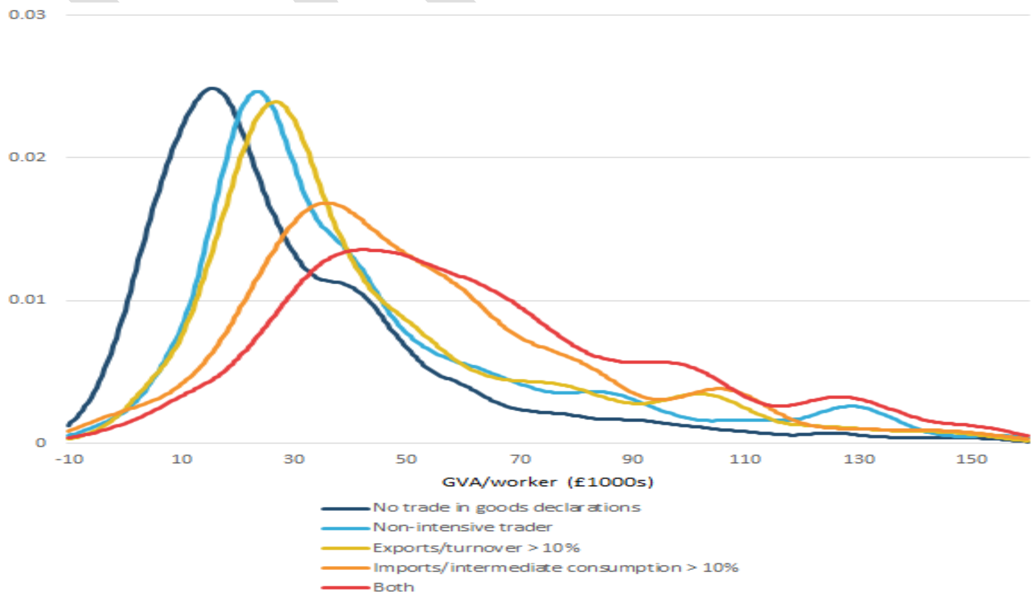


Source: HMRC UK Regional Trade in Goods Statistics

- WM 7 Met has a trade surplus with China of **£1.02bn** (£2.7bn exports and £1.6bn imports). This is the largest surplus with China of all English NUTS2 regions – many have deficits such as Greater Manchester (£2bn) and West Yorkshire (£1.3bn).
- WM 7 Met also has the largest trade surplus with the USA than all UK NUTS2 areas **(£2.7bn)** - £3.6bn exports and £900m imports.

- A new dataset has led to ONS suggesting that UK businesses which declare international trade in goods were around **70% more productive** on average than non-traders in 2017.
- In these figures, the rightwards shift of the labour productivity distribution for intensive traders is particularly apparent.
- The graph as below demonstrates this, suggesting a clear correlation between international trade and productivity within UK businesses.

Distribution of labour productivity by trader status, employment weighted, 2016

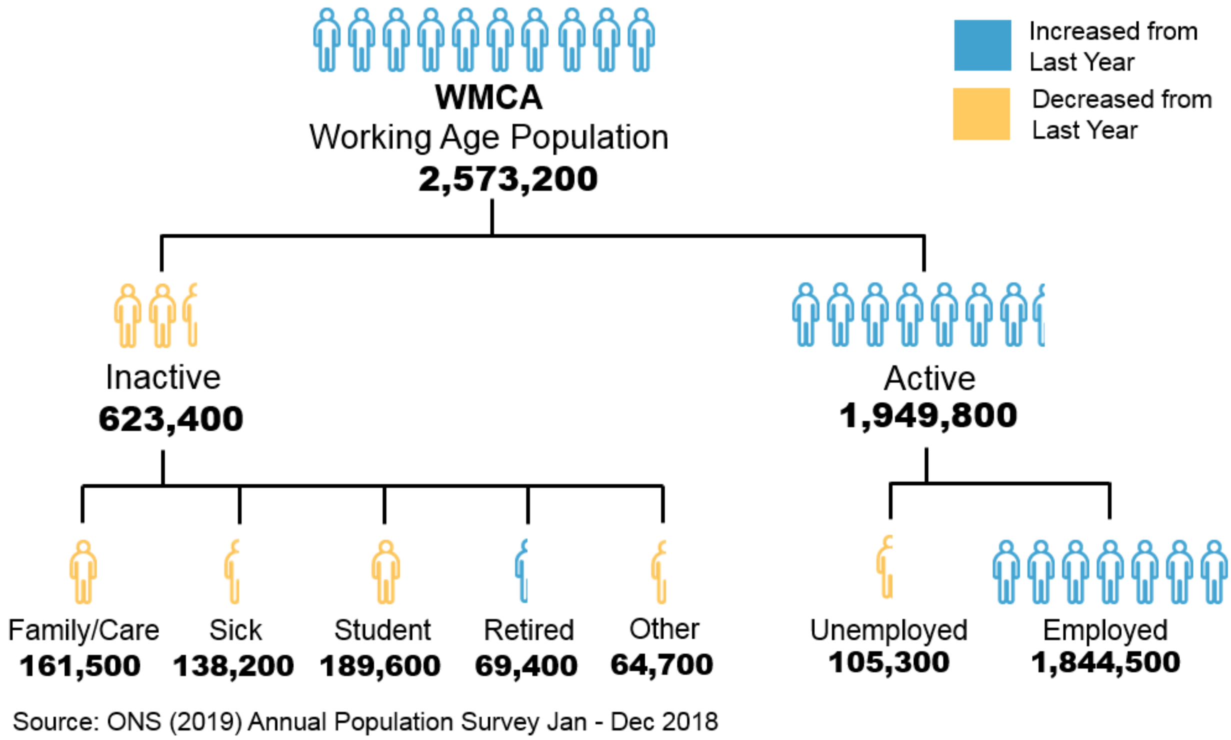


Source: ONS UK trade in goods and productivity: new findings,2018

Section 3:
Employment, Education and Skills

Employment, Education and Skills

Building the right skills in our workforce is key to delivering improved productivity and prosperity – enabling all groups to access jobs. While qualifications levels are improving, significant shortfalls remain in certain levels and geographies, holding back growth and productivity. Youth unemployment remains stubbornly high – as a growing, young and hyper-diverse region, tackling poor social mobility and outcomes is crucial to unlocking inclusive growth.



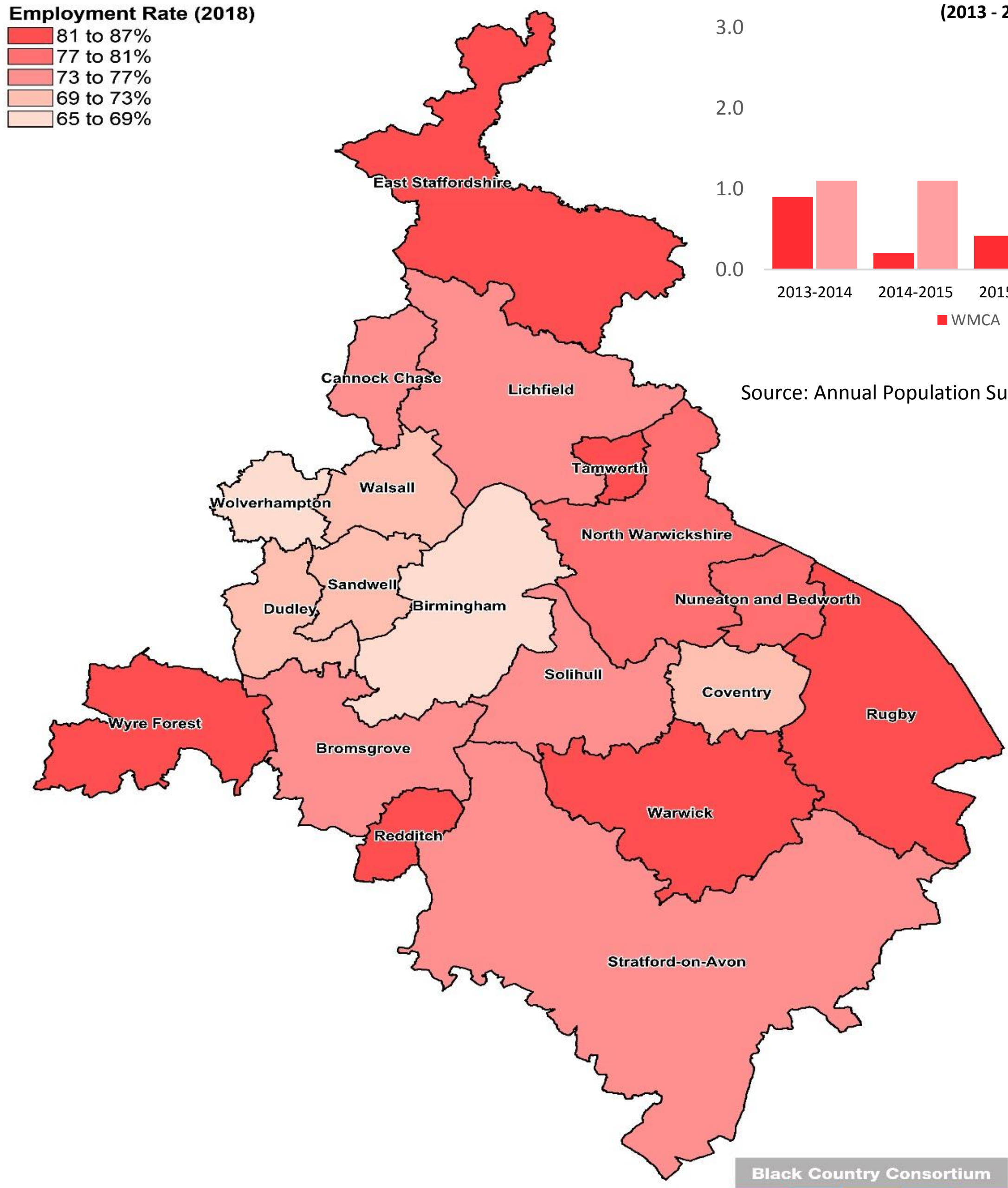
Employment

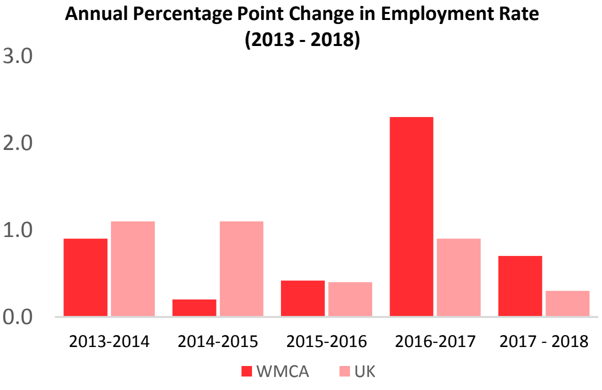
- The WMCA employment rate in 2018 was **71.7%** while the UK average was **75.0%,** The following tables shows the annual change in employment rate for the WMCA.

Annual Percentage Point Change in Employment Rate					
2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
+0.7pp[15]	+0.9pp	+0.2pp	+0.4pp	+2.2pp[16]	+0.7pp

[15] Orange indicates either an annual increase but at a slower rate or the same as the UK average
[16] Green indicates an annual increase above the UK average

- The below map also shows the employment rate across the 19 local authorities. Warwick has the highest employment rate **(86.1%)**, overall 11 local authorities have a higher employment rate than the UK **(75.0%)**.





Source: Annual Population Survey, 2019

Black Country Consortium
Economic Intelligence Unit

- In 2018, the employment rate across the WMCA was 71.7%, an increase of 0.7pp from 2017 compared to a 0.3% increase for the UK to reach 75.0%. The employment rate for females in 2018 was 65.9% (+0.1pp since 2017) and 77.5% for males (+1.2pp since 2017).
- The following table shows the employment rate by ethnicity and gender across the WMCA. Overall there has been a 2.2% (46,000 people) increase from 2016 to 2017.

	WMCA 2017		WMCA 2018	
	Employment Count	% of Working Age Population in Employment	Employment Count	% of Working Age Population in Employment
White	1,456,600	75.1%	1,449,500	75.1%
White males	770,400	79.0%	768,400	79.5%
White females	686,200	71.2%	681,100	70.7%
Mixed ethnic group	23,900	59.5%	18,900	56.6%
Mixed ethnic group males	#	#	9,400	57.7%
Mixed ethnic group females	14,300	63.3%	9,400	55.0%
Indian	115,100	69.8%	109,200	71.4%
Indian males	62,600	80.3%	60,800	79.3%
Indian females	52,500	60.4%	48,300	63.3%
Pakistanis/Bangladeshis	102,600	50.8%	103,800	53.7%
Pakistani/Bangladeshi males	67,900	65.5%	70,200	70.9%
Pakistani/Bangladeshi females	34,700	35.4%	33,600	35.6%
Black or black British	79,700	62.6%	112,300	63.6%
Black or Black British males	40,100	69.7%	55,300	69.0%
Black or Black British females	39,600	56.6%	57,100	59.2%
0ther ethnic group	45,400	48.5%	50,200	58.7%
Other ethnic group males	27,500	56.0%	31,700	69.7%
Other ethnic group females	18,000	40.4%	18,600	46.6%
WMCA Total	1,823,300	71.0%	1,843,900	71.7%

Source: Annual Population Survey, 2019. Please note: # means the sample size is too small for a reliable estimate

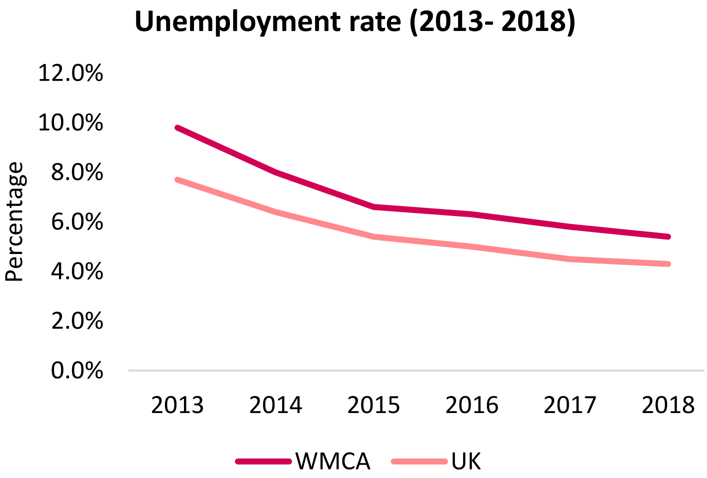
- The below table shows economic inactivity across the WMCA and the breakdown by reason in 2018. Overall economic inactivity has decreased from 24.7% in 2017 to 24.2% (-12,100 people) which is a faster decline than the UK average (-0.1pp).
- A larger proportion of males are students (40.2%) compared to females (24.5%). However, the percentage of male students has decreased (-0.8pp) while females have remained the same since 2017.
- Meanwhile, 36.7% of females are economically inactive because of looking after their family/home compared to 8.0% of males. Although, compared to 2017 females have decreased from 38.9% and males have increased from 7.4%.

	WMCA		UK	
TOTAL	**623,400**	**24.2%**	**8,942,200**	**21.7%**
% of economically inactive student	189,600	30.4%	2,407,300	26.9%
% of economically inactive looking after family/home	161,500	25.9%	2,111,600	23.6%
% of economically inactive temporary sick	11,700	1.9%	172,200	1.9%
% of economically inactive long-term sick	126,500	20.3%	2,046,800	22.9%
% of economically inactive discouraged	#	#	33,600	0.4%
% of economically inactive retired	69,400	11.1%	1,176,200	13.2%
% of economically inactive other	61,100	9.8%	994,400	11.1%

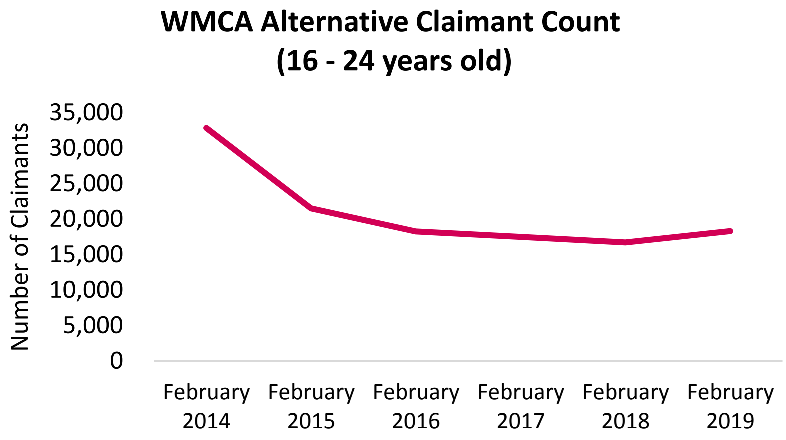
Source: Annual Population Survey, 2019. Please note: # means the Sample size too small for reliable estimate.

Unemployment

- 105,300 people were unemployed across the WMCA in 2018 (5.4% compared to 4.3% across the UK).
- Of the 105,300 unemployed, 54,800 are men, which equates to 5.2% of the male working age population compared to 5.6% of females.
- The unemployment rate for ethnic minorities aged over 16 years is 8.4% compared to a national average of 7.1%.
- Most young people (aged 16-24) in the WMCA are either in work or economically "inactive" (for example as full-time students), but 8.7% were counted as "unemployed" at the end of 2018.
- There were 98,330 claimants in the WMCA in March 2019, this is 3,210 more claimants than the previous month and 19,405 claimants more compared to the same month last year (78,925)[17].
- There were 18,675 youth claimants (18 – 24 years old) in WMCA in March 2019, 785 more than the previous month and 3,035 more than March 2018. The proportion of Youth Claimants in the WMCA as a percentage of total claimants has reduced from 19.8% to 19.0% but remains slightly above the national average 18.9%.
- Men account for 60.8% of the youth claimant count.
- The alternative claimant count measures the number of people claiming unemployment related benefits by modelling what the count would have been if Universal Credit had been fully rolled out since 2013. For the WMCA in February 2019 the alternative claimant count for all ages was 115,238 - mirroring national trends this is 6,137 more than February 2018.
- The alternative claimant count for those aged between 16-24 years olds was 18,302 people in February 2019, which also mirrors national trends and increased by 1,606 people compared to February 2018.
- The proportion of 16-24 years old alternative claimants in the WMCA as a percentage of the total alternative claimants was 15.9%, slightly above the national average 15.7%.
- 4,630 people (7.1%) in the WM 7 Met. area were classed as NEET (Not in Employment, Education and Training) in 2018, a decrease of 410 or 0.7pp. This is above both national (6.0%) and regional comparators (6.4%).
- Of the 4,630 NEETs, 40% were female and 60% were male.



Source: Annual Population Survey, 2019

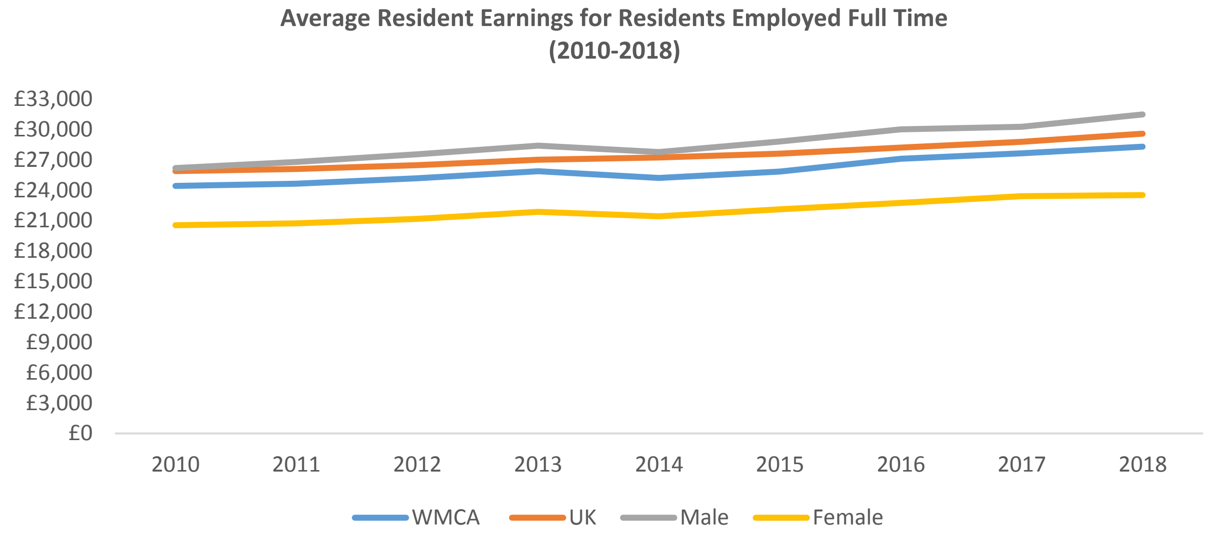


Source: Department of Work and Pensions, 2019

[17] Please note, claimant count figures are likely to have increased in comparison from the previous months and years due to the number of claimants that are required to look for work under Universal Credit rather than JSA.

Earnings

- Between 2013 and 2018, total average annual earnings in the WMCA increased by **£2,415** equivalent to **9.3%** compared to **9.5%** across the UK[18].
- Across the WMCA **76.3%** of all employees earn above the Living Wage Foundation rates compared to **77.2%** across the UK. In the WMCA, **83.6%** of full-time workers earn above the Living Wage Foundation rates. This has increased from **83.3%** in 2017. Part-time workers earning above the Living Wage Foundation rates has also increased from 2017, up from **55.1%** to **56.2%**.[19]
- Last year there were **580,00** men employed full time compared to **346,000** women. Men earned on average **£31,472** whilst women **£23,519** a difference of **£7,953**. Women's pay also increased at a slower rate at **0.5%** compared to **4.0%** for men.
- Nationally the reverse is true, women's pay has increased by **3.2%** while men's pay increased by **2.3%**. Women continue to be overrepresented in terms of part time employment accounting for **75.7%** of the workforce.



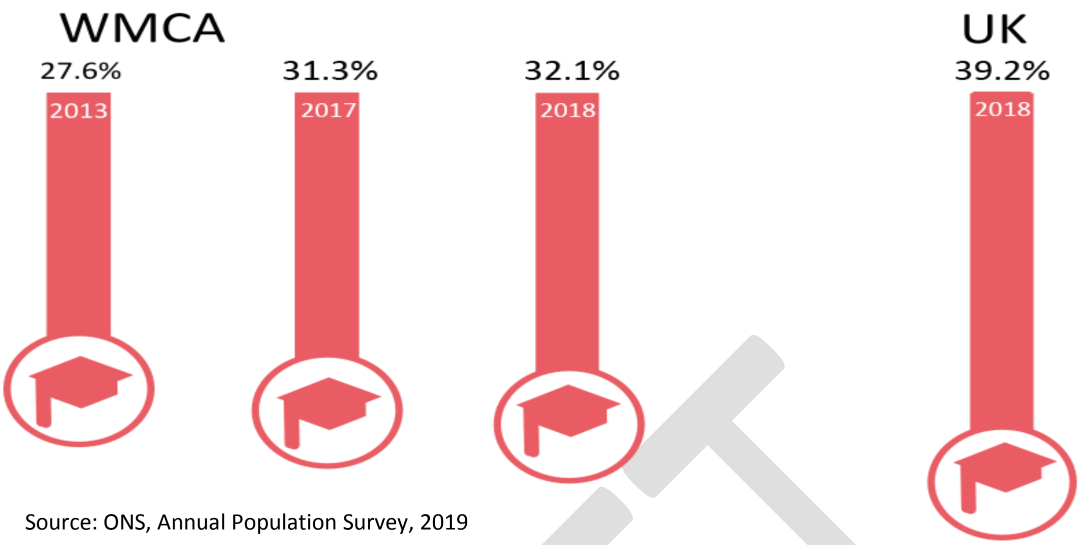
Source: Annual Survey of Hours and Earnings, 2018

Qualifications

- Across the WMCA **825,500** people are qualified to NVQ Level 4+ **(32.1%)**. This is a **27,200** increase on 2017 which equates to **3.3%** compared to **2.3%** nationally.
- The number of women with NVQ Level 4+ increased by **15,100** or **3.6%,** whilst the number of men with NVQ Level 4+ increased by **12,200** or **3.3%**.
- Those aged 25-49 years old (**38.5%**) hold the most NVQ Level 4+ qualifications.
- Qualifications are key to progression, with those people qualified to NVQ Level 4+ estimated to earn significantly more than those with lower qualifications.
- Across the UK there are **16.1m** qualified to NVQ level 4+ with **362,500** more people at this level than in 2017. This equates to **39.2%** of the Working Age Population (WAP).
- To reach the national average of **39.2%** the WMCA requires a further **181,538** people to be qualified to this level.

[18] Annual Survey of Hours and Earnings (ASHE), Resident analysis, 2018
[19] ASHE: Number and proportion of employee jobs with hourly pay below the living wage, by parliamentary constituency and local authority, 2018

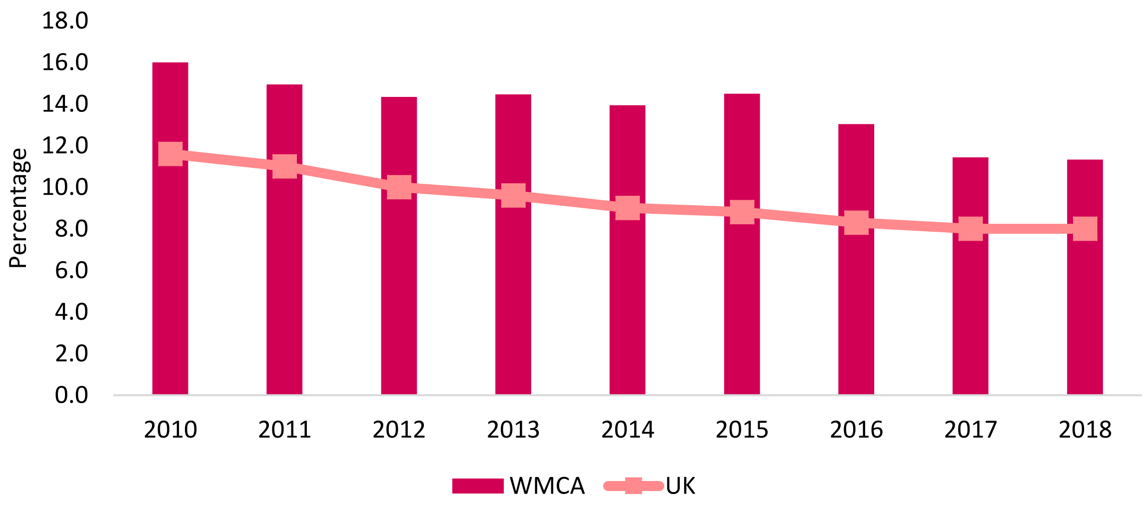
Percentage of people in the WMCA with NVQ4+ qualifications is below UK average but increasing year on year



Source: ONS, Annual Population Survey, 2019

- The proportion of WMCA residents with no qualifications decreased from **11.4% (291,100)** in 2017 to **11.0% (283,700)** in 2018. A reduction of **7,400** people or **-2.5%** compared to the UK wide **+0.2%.**
- The number of women with no qualifications continues to fall whereas the number of men with no qualifications increased. The number of women with no qualifications dropped from **146,000** to **130,300 (-10.8%)** while men increased from **145,100** to **153,400 (+5.7%)**.
- Those aged 50-64 account for the highest proportion of people with no qualifications (**14.0%**).
- To reach the current UK average **(8.0%)** it requires a further upskilling of **78,284** people.

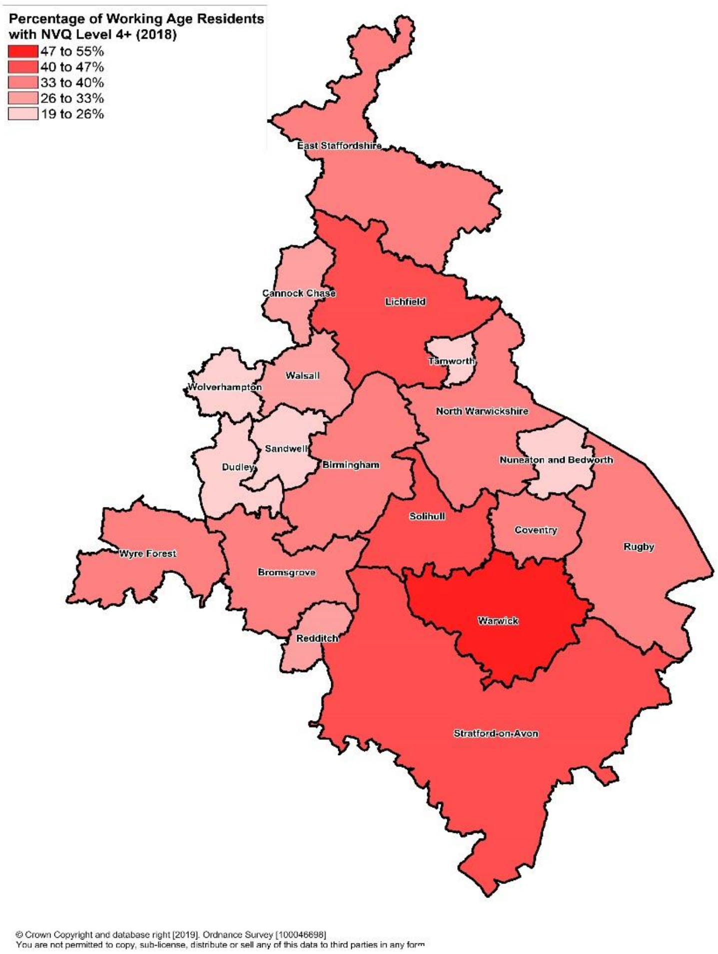
Percentage of people with No Qualifications (2010-2018)

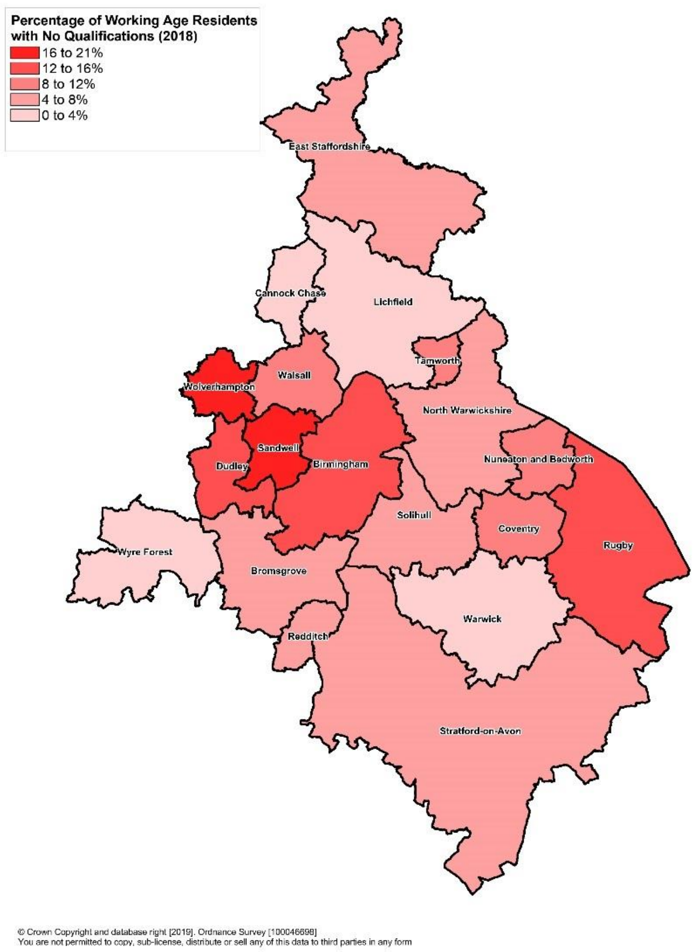


Source: ONS, Annual Population Survey 2019

- The proportion of working age residents with no qualifications continues to fall faster than the UK average. This along with more people qualified to NVQ1, NVQ2 and NVQ3 suggests a more rapid upskilling of the population.

- The following maps show the percentage of working age population with NVQ level 4+ qualifications and subsequently no qualifications across the 19 local authorities. Warwick has the highest percentage of the working age population with NVQ level 4+ **(53.6%)** and Lichfield has the lowest percentage of working age population with no qualifications **(2.9%)**.





Source: ONS, Annual Population Survey, 2019

- The following table displays the change in qualification levels across the WMCA and England from 2017 to 2018 and the upskilling required for the WMCA to reach national levels.

Qualification Level (NVQ)	WMCA 2017	WMCA 2018	WMCA (2018)	UK (2018)	WMCA % Change 17/18	Gap to National[20]
% with NVQ4+ aged 16-64	798,300	825,000	32.1%	39.2%	+3.3%	**+181,538**
% with NVQ3 ***only*** aged 16-64	451,500	454,100	17.7%	17.0%	+0.6%	No Gap
% with NVQ2 ***only*** aged 16-64	432,200	437,600	17.0%	15.8%	+1.2%	No Gap
% with NVQ1 ***only*** aged 16-64	290,900	292,900	11.4%	10.4%	+0.7%	No Gap
% with Other Qualifications (NVQ) aged 16-64	243,800	219,800	8.6%	6.7%	-9.8%	No Gap
% with No Qualifications (NVQ) aged 16-64	291,100	283,700	11.0%	8.0%	-2.5%	**-78,284**

[20] Where no gap has been stated, indicates the WMCA is above the UK average

Apprenticeship Starts

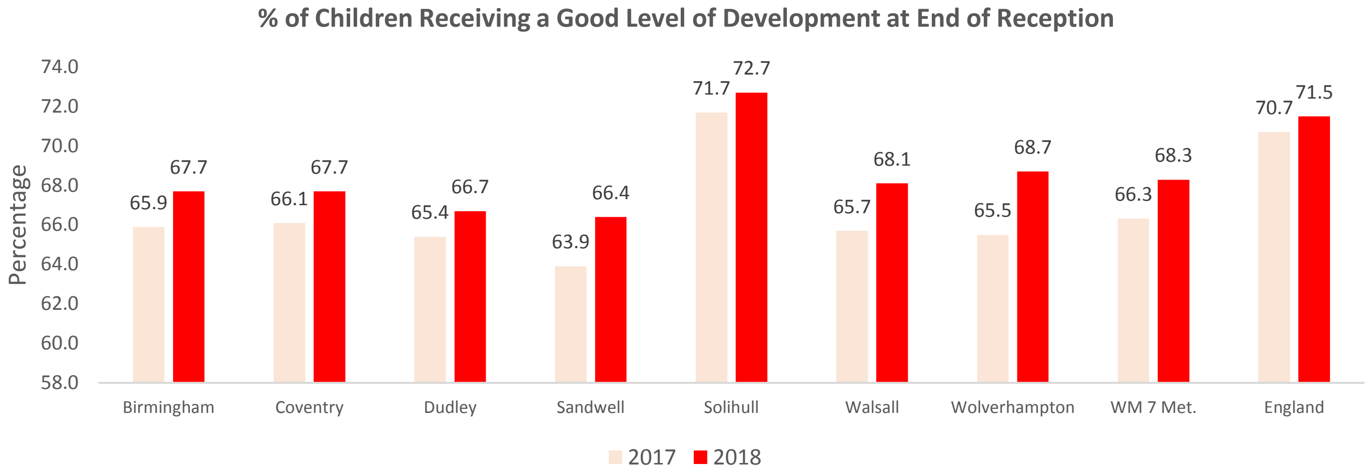
- The number of apprenticeship-starts across the WMCA area in 2017/18 declined by **13,240** to **29,230** or **-31.2%** against a national drop of **-22.6%**. However. Progress within the year is showing the WM 7 Met. area is up 434 apprenticeships starts (+4%) from the same point as last year.
- The WMCA's ambition is to increase overall apprenticeship starts to **84,000** by 2030. To do this the WMCA needs to create **54,770 more apprenticeship starts** per annum
- **38%** of apprenticeship starts are in the 25+ age group and **28%** are delivered to 19-24-year olds with the remaining **34%** being provided to under-19s.
- Females are well represented in terms of learners when compared to the overall population. Females account for **49.4%** of all apprenticeships compared to **50.5%** of the overall population. Mirroring the wider trend, the percentage of learners classified as Black, Asian, Minority Ethnic (BAME) fell from **26%** in 2016/17 to **23%** in 2017/18.
- **10%** of learners in 2017/18 considered themselves to have a learning difficulty and or learning disability compared to **9%** in 2016/17.

Year	Intermediate	Advanced	Higher	Total
WMCA 2017/18	12,810	12,780	3,640	29,230
WMCA 2016/17	22,890	16,480	3,100	42,470
Absolute Change	-10,080	-3,700	540	-13,240
Change	-44.0%	-22.5%	17.4%	-31.2%
England	-37.0%	-14.2%	35.0%	-22.6%

Source: Department for Education, Apprenticeships by geography, age and level: starts 2005/06 to 2017/18 reported to date, 2019

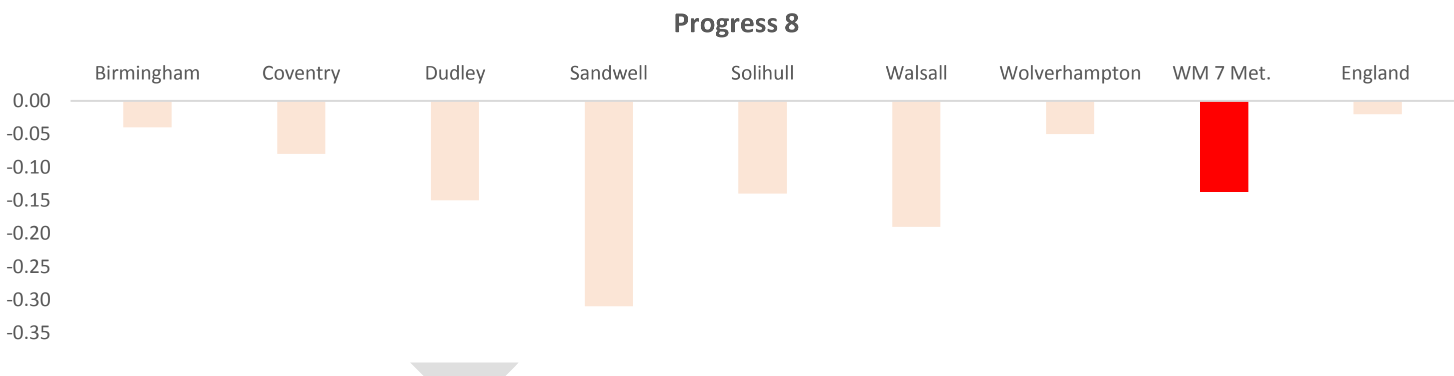
School's Performance

- School readiness at age five has a strong impact on future educational attainment and life chances. Children who don't achieve a good level of development at aged 5 years struggle with social skills, reading, maths and physical skills.
- Last year the number of children receiving a good level of development increased by **2.0pp** (to 68.3%) from 2017 compared to 0.8pp (to 71.5%) nationally.
- Wolverhampton recorded the largest increase in overall development from 2017 (**+3.2pp**) in the WM 7 Met. area, followed by Sandwell at **2.5pp.**
- Solihull has a higher percentage of children receiving a good level of development at the end of reception (**72.7%**) than the England average of **71.5%.**

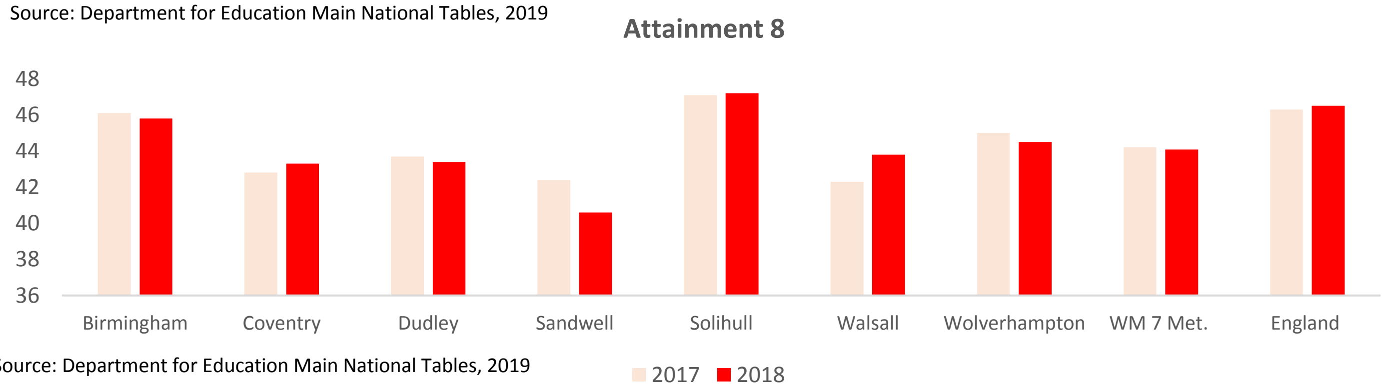


Source: Department for Education, 2019

- Progress 8, the new secondary school accountability measure aimed at measuring progress, found that **85%** of schools in the WM 7 Met. area were rated 'Above the Floor Standard' compared to **88%** nationally (England).[21]
- Across the WM 7 Met. area, the average Attainment 8 score (which measures a student's average grade across eight subjects) is **44.1** (a decrease of 0.1) compared to the England average of **46.5**.
- The percentage of pupils achieving a 9-5 pass in English and Maths increased from **36.8%** in 2017 to **37.3%** compared to the England average of **40.2%**.
- Mirroring the national trend, the average Attainment 8 score for those pupils deemed disadvantaged fell from **36.7** in 2017 to **36.3** in 2018 (-0.4). Nationally the change was -0.3 - from **37.1** in 2017 to **36.8**.
- The average Attainment 8 score for those pupils from a non-disadvantaged background was **48.0** also down **0.4** on the previous year. Conversely non disadvantaged pupils nationally increased by **0.4**.
- The percentage of the 2018 KS4 cohort going to, or remaining in, any education destination was 94% which is in line with the national average.



Source: Department for Education Main National Tables, 2019

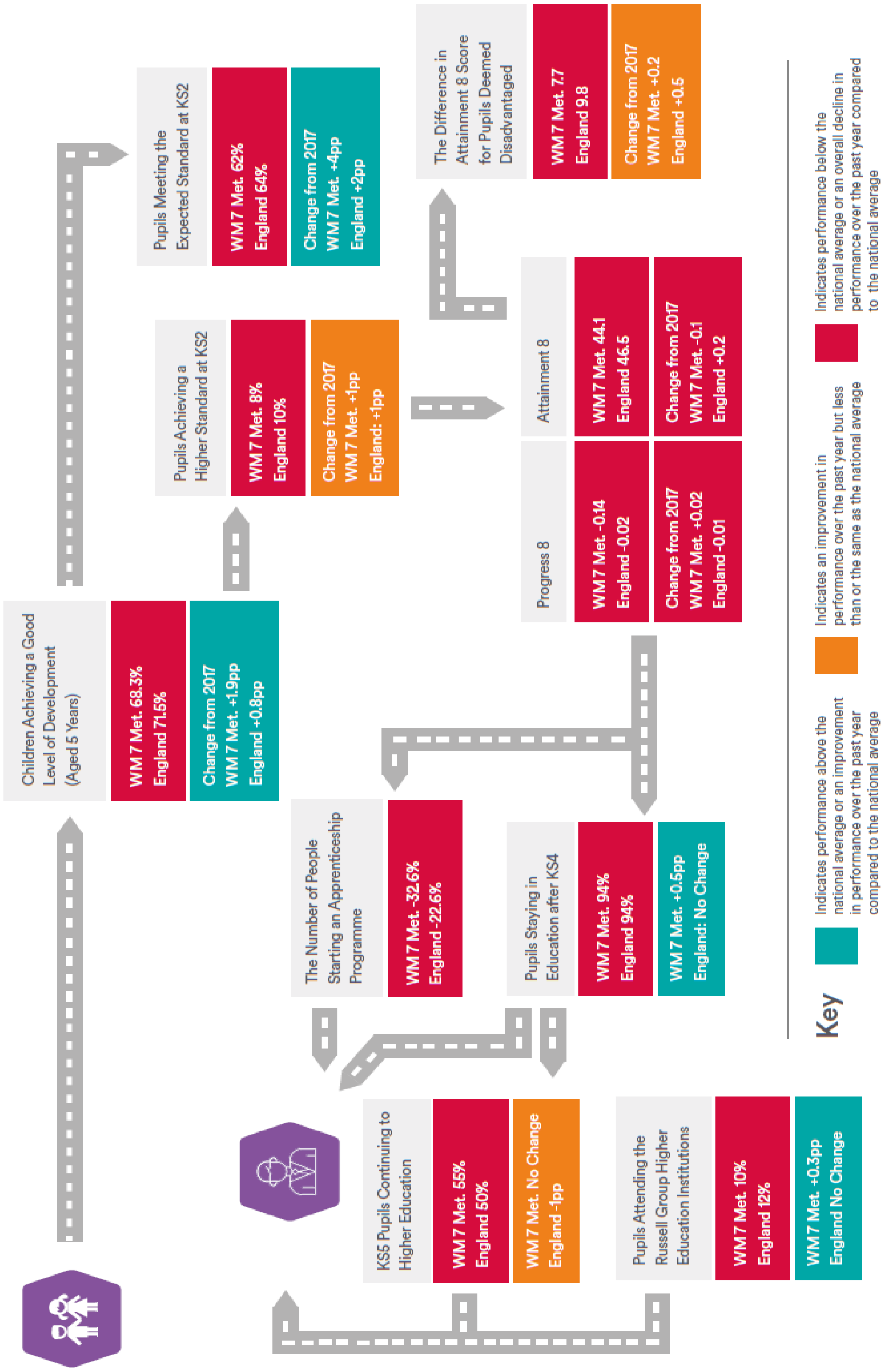


Source: Department for Education Main National Tables, 2019

[21] Department for Education Main National Tables, 2019

Educational Pathway

- The Educational Pathway displays the roadmap for school pupils between reception all the way up to higher education, highlighting the WM 7 Met. and England average for all stages of education.



Section 4:
People - Health and Wellbeing

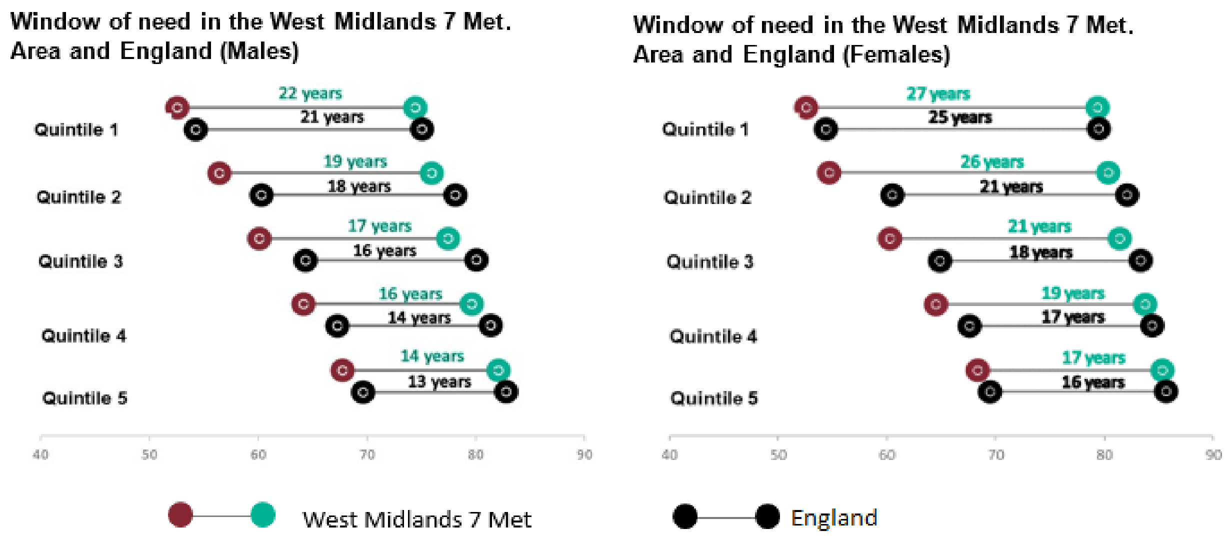
Every person in the region has a role in building the region's growing economy, and should therefore share in the benefits that it generates. These benefits should look as residents expect them to: prosperity, good health, thriving places, and in general, feeling able to influence the world around them. As it stands, strong headline jobs growth masks startling inequalities within the region, and across different communities.

Life Expectancy[22]

- In the WM 7 Met. area, the average life expectancy (LE) is **77.9** years for males and **82.2** years for females. In the WM 7 Met. area healthy life expectancy for males and females is **59.9** years and **60.1** years respectively. The difference between "life expectancy" and "healthy life expectancy" is known as the *window of need.*

Source: Public Health England, 2019

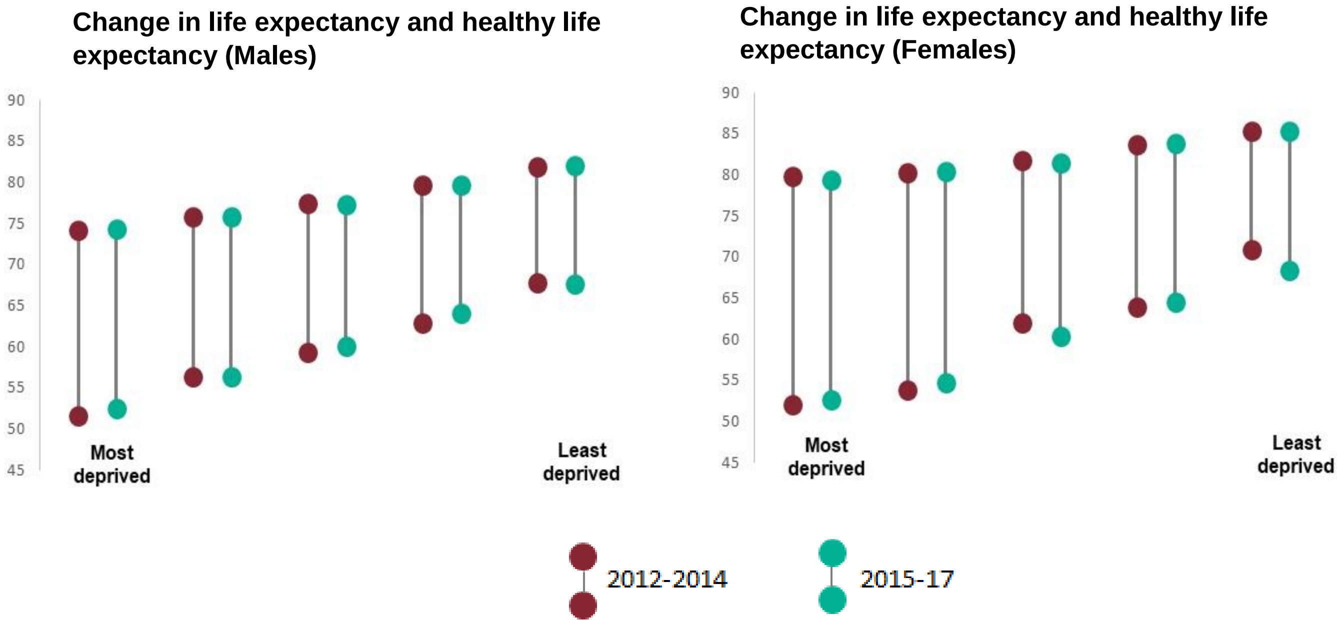
- During the period 2015-17 life expectancy in the West Midlands 7 Met. area ranged, from **74.4** years to **82.0** years for males, and **79.4** years to **85.3** years for females between deprivation quintiles 1 to 5[23]. Similarly, healthy life expectancy ranged from **52.5** years to **67.7** years for males, and **52.6** years to **68.3** years for females.



Source: Public Health England, 2019

[22] The geography is based on the WM 7 Met. area unless otherwise stated.
[23] Quintile 1 is classed as people living in the most deprived areas and quintile 5 is the least deprived areas.

- Males in the most deprived quintiles of the West Midlands can expect to live 22 years in ill-health, compared to 21 years for England. The gap in the most deprived areas are 8 years wider than for males in the least deprived quintile.
- Females in the most deprived quintiles of the West Midlands can expect to live 27 years in ill-health, compared to 25 years for England. Moreover, the gap in the most deprived areas are 10 years wider than for females in the least deprived quintile.
- Between 2012-14 and 2015-17 there were no significant improvements in the male life expectancy in the West Midlands 7 Met. area, although there was a slight improvement in healthy life expectancy (0.6 years) within the second least most deprived quintile.
- However, for females in the West Midlands 7 Met. area, there was a noticeable deterioration in healthy life expectancy in the third quintile (-1.7 years) and the least deprived quintile (-2.5 years) and, thus, a widening in the window-of-need.



Source: Public Health England, 2019

Infant Mortality

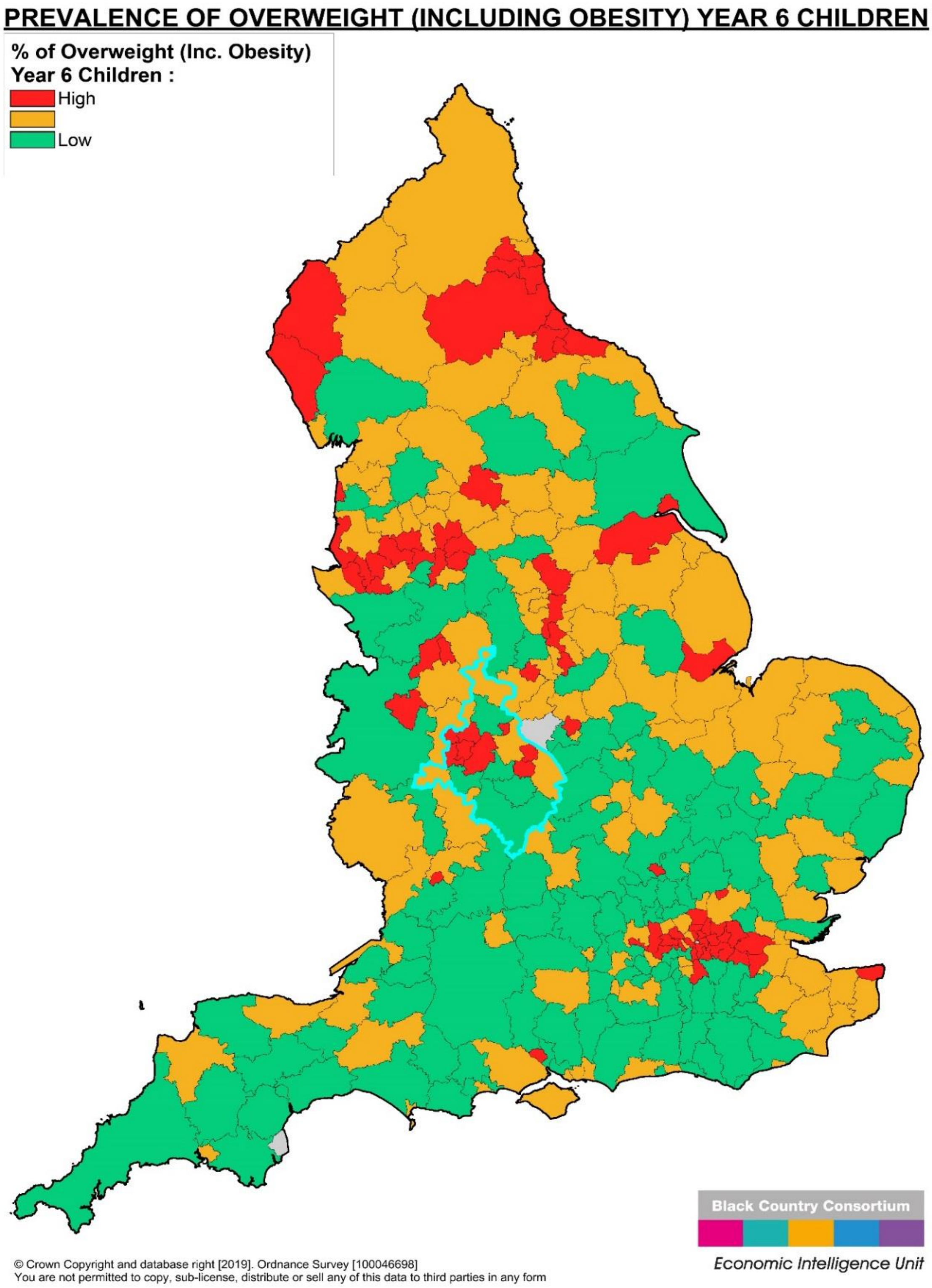
- The West Midlands is one of worst performing regions for infant mortality rate in England. At 6.6 deaths per 1,000 live births, infant mortality rates in the WM 7 Met. area are significantly higher than the England average of 3.9 per 1,000 live births. However, the number of infant deaths annually reduced from 270 to 262 between 2001/3 and 2015/17. For the WM 7 Met. area to be similar to England, there would have to be 108 less infant deaths across the WM 7 Met. area annually.

Conception and Pregnancy

- Teenage conceptions (aged 15-17 years) have reduced significantly since 1998, although rates in the WM 7 Met. area is still significantly higher than for England. In 2017, there were 1,121 births to teenage mothers (22.4 per 1,000), a decrease from 1,177 births in 2016 (23.2 per 1,000). The England average has dropped from 18.8 per 1,000 in 2016 to 17.8 per 1,000 in 2017.
- During the period 2017/18, 10.8% of mothers smoked during pregnancy. This is lower than the 15% seen in 2010/11, and on par with the England average.

Childhood Obesity

- The West Midlands childhood obesity levels are one of the highest in the country. **37.1%** of year 6 children are overweight or obese in the West Midlands, compared to **31.1%** nationally. The West Midlands ranks number 3 for worst performing regions for childhood obesity. The following map shows the spatial distribution of childhood obesity in England.

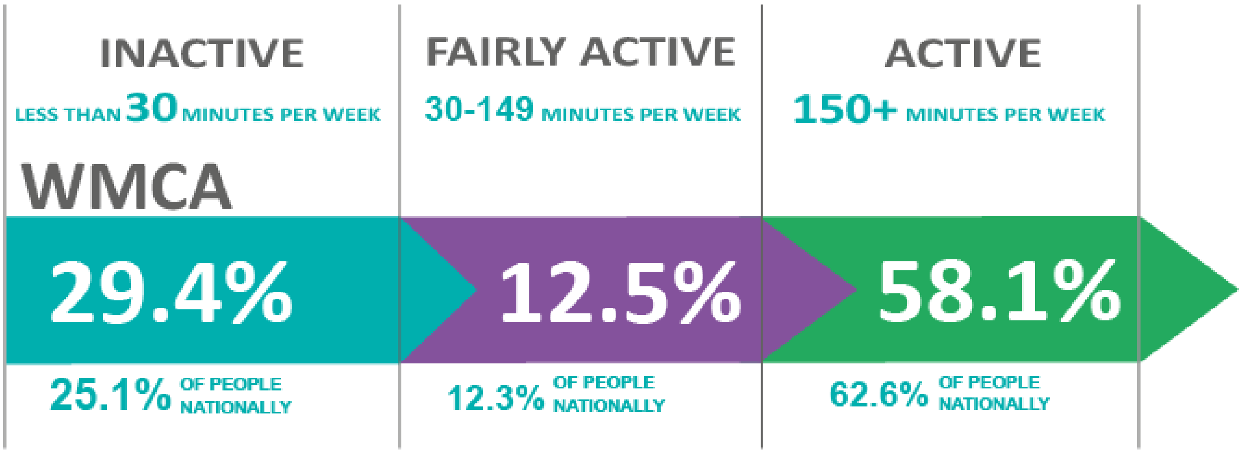


Health Profiles

- The current smoking prevalence[24] across the WM 7 Met. area is around 14.3%, marginally lower than the 14.9% seen for England. However, this ranges from around 11% in Solihull to 17% in Sandwell.
- Across the WM 7 Met. area, 14.4% of the households in the area (or 163,983 households) experienced fuel poverty in 2017. This is a decrease from 15.3% (173,024 households) in 2016.
- During the period 2015-17, there were 15,366 deaths which are considered preventable, or around 5,120 deaths annually[25].This is a reduction from 6,230 deaths annually between 2001 and 2003.
- Around 40% of cancer diagnoses are preventable. With 5,469 cancer diagnoses in the WM 7 Met. area in 2015 - 17, improvements in lifestyles of people in the WM 7 Met. area could result in 2,738 fewer diagnoses annually. Around 15% of cancers are caused by smoking. Eradicating smoking altogether could prevent over 1,000 fewer diagnoses of cancer alone.

Physical Activity

- Based on the Active Lives Survey[26], 58.1% of the WMCA's adult population are active, or participate in more than 150 minutes of physical activity each week, equivalent to 1,913,900 people. This is an increase of 2.9% or +53,600 active people compared to last year. In order to reach the national average of 62.6% activity, the WMCA requires an additional 156,701 participants achieving 150 minutes of sports or physical activity per week.



Suicide Rates

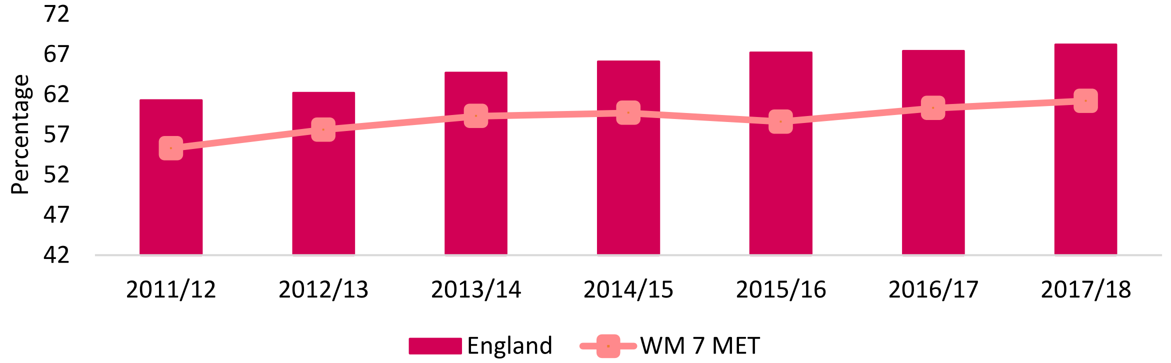
- The suicide rate for the WM 7 Met. area was lower than England at 8.7 suicides per 100,000 compared to 9.6 across England between 2015-17. The West Midlands 7 Met area decreased at a faster rate than the England average at 1.1 compared to a decrease of 0.3.

[24] The number of persons aged 18 + who are self-reported smokers in the Annual Population Survey.
[25] Preventable mortality includes conditions such as those as a result from lifestyle factors – alcohol, drug abuse and diabetes. For a full definition refer to the Public Health Outcomes Framework, indicator 4.03
[26] Source: Sport England, Active Lives Adult Survey – November 17/18 Report, 2019

Employment Rate Gap

- The following chart shows the percentage point gap between the percentage of working age adults who are receiving secondary mental health services and in employment and the overall employment rate. The WM 7 Met. area is ahead of England with a **61.2%** employment rate gap compared to **68.2%** across England. In 2018, only **7%** of adults in contact with secondary mental health services were in paid employment across England.[27] The long term goal is to radically increase the number of people in contact with secondary mental health services in employment by 2030 and to narrow the gap between their employment rate.

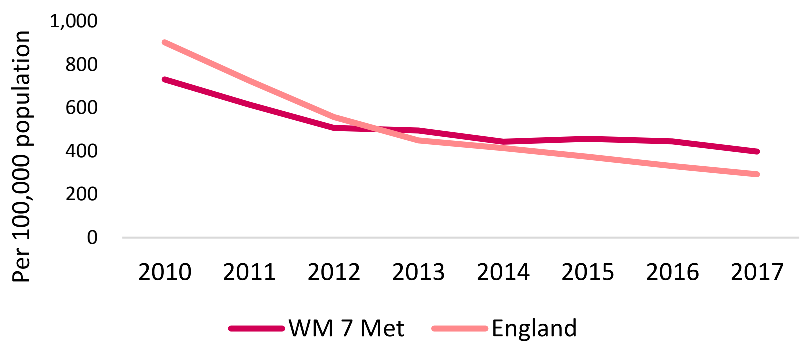
WM 7 Met. and England Employment Rate Gap between those in contact with secondary mental health services and overall employment rate



Crime

- The total number of recorded crime (excluding fraud) in the West Midlands was **244,527** in the year ending September 2018; **84.4** per 1,000 resident population. This is an increase of **22,753** more crimes recorded than September 2018.
- In terms of recorded offences involving a knife or sharp instrument offences per 100,000 population in 2018 was **98** in the West Midlands, 3rd highest rate behind London (167) and West Yorkshire (107) and above the national average of **69**. This equates to **3,108** offences involving a knife.
- In 2017, there were **1,122** first time entrants to the youth justice system (or **397** per **100,000** 10-17 year olds). This is a considerable decrease compared to **2,100** new entrants in 2010 (**730** per **100,000**). For the WM 7 Met. area to be similar to England, there would need to be **296** fewer entrants to the youth justice system annually.

First Time Entrants to the Youth Justice System per 100,000 10-17 year olds



Source: Public Health England, 2019

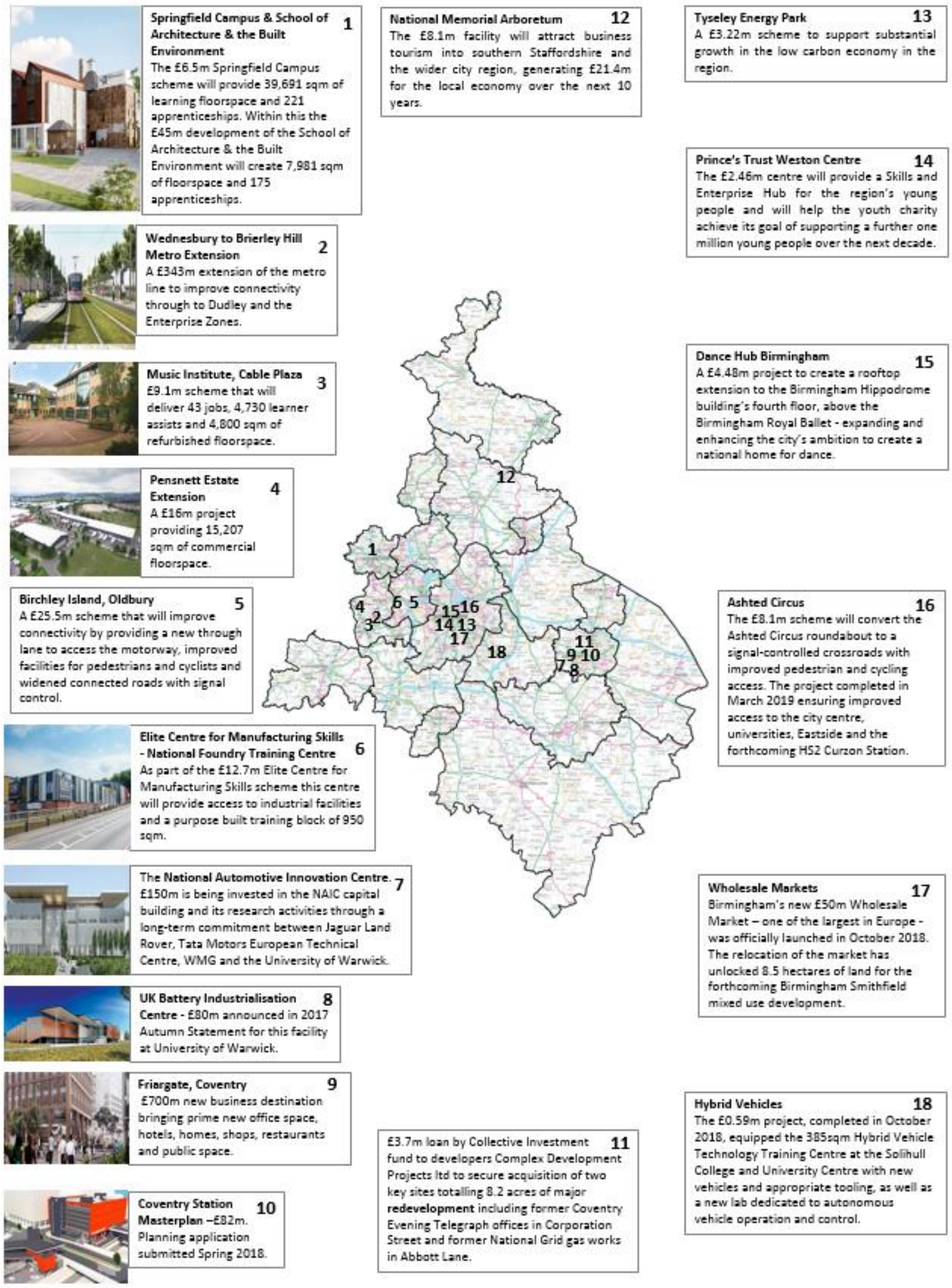
[27] NHS Digital Dataset: 1F - Proportion of adults in contact with secondary mental health services in paid employment, 2018

Section 5:
Place

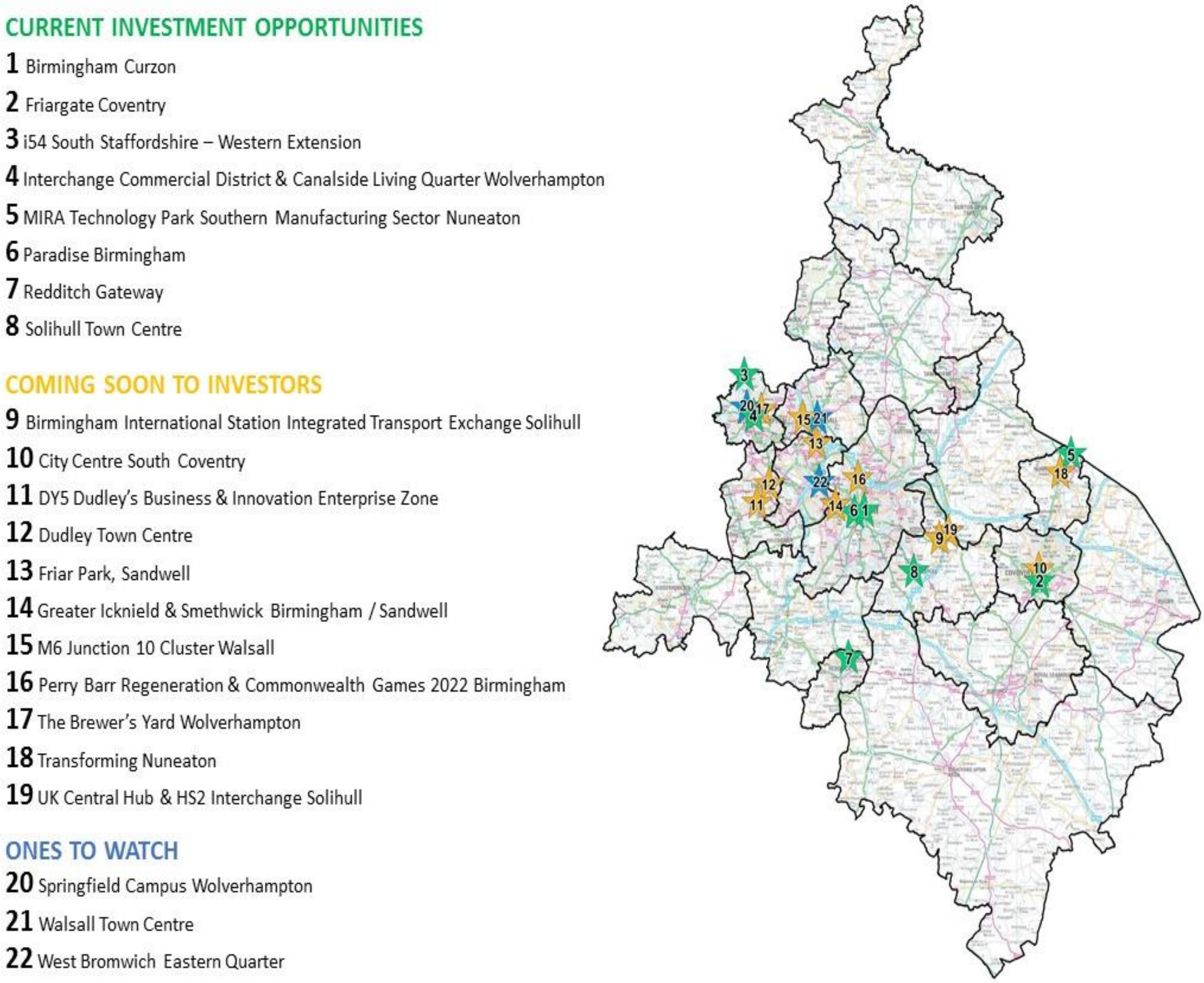
Another key driver of productivity is the transformation of the WMCA Infrastructure and Environment. We are building more homes with an ambition of 215,000 new homes by 2031. We are working on the identification of opportunity areas to drive the supply of high-quality new homes and then create and capture the climate resilient value. Then created from these to invest in transport, income, health, education and other facilities within existing communities in these areas. Enabling growth for all and ensure that communities can participate in growth and benefit from the growth.

Infrastructure Investments

- 2018 has seen a large number of economic growth and infrastructure developments across the WMCA area.
- Funded from a variety of sources the following maps illustrate some of the infrastructure investments.

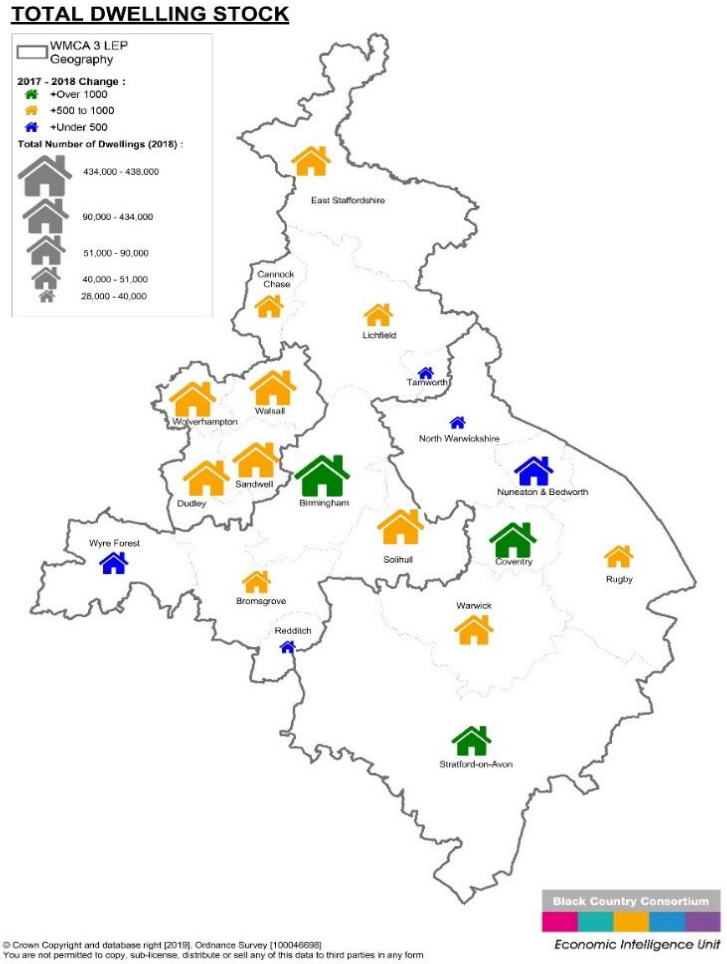


- The map below highlights some of the opportunity sites within the WMCA:



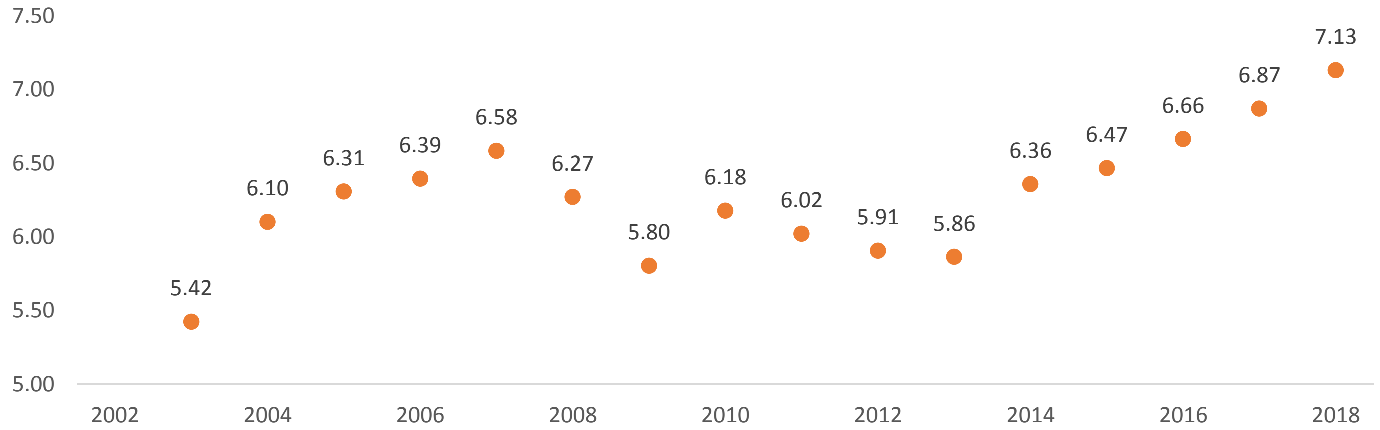
Housing

- In 2018, there were **1.7** million homes in the WMCA area. The housing deal between the WMCA and Government will deliver 215,000 additional homes by 2031. These additional dwellings are required to meet the demand created by a continued rise in population which currently stands at **4.1m people** in the WMCA. There were **14,491** net new homes in 2017-2018 as shown in the map below.



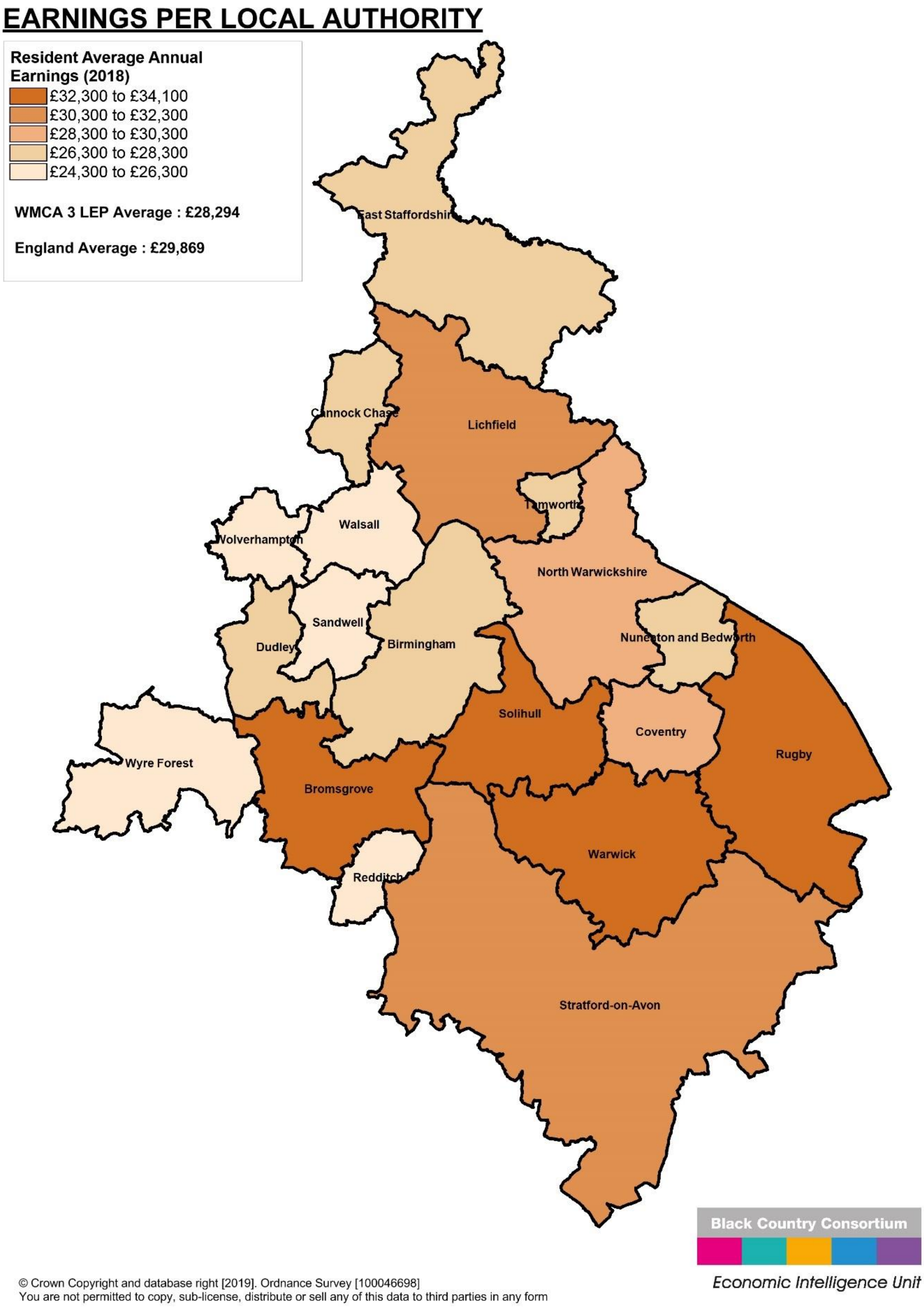
- Resident income has been steady increasing over the last few years within the WMCA, however the house prices have increased at a faster rate. The higher increase in house prices has caused the ratio of house price to annual earnings to increase to **7.13**, slightly below the England average of 7.70. The following graph shows the annual change for the median house price to medium annual gross earnings ratio from 2002 for the WMCA.

Ratio of median house price to median gross annual earnings across the WMCA

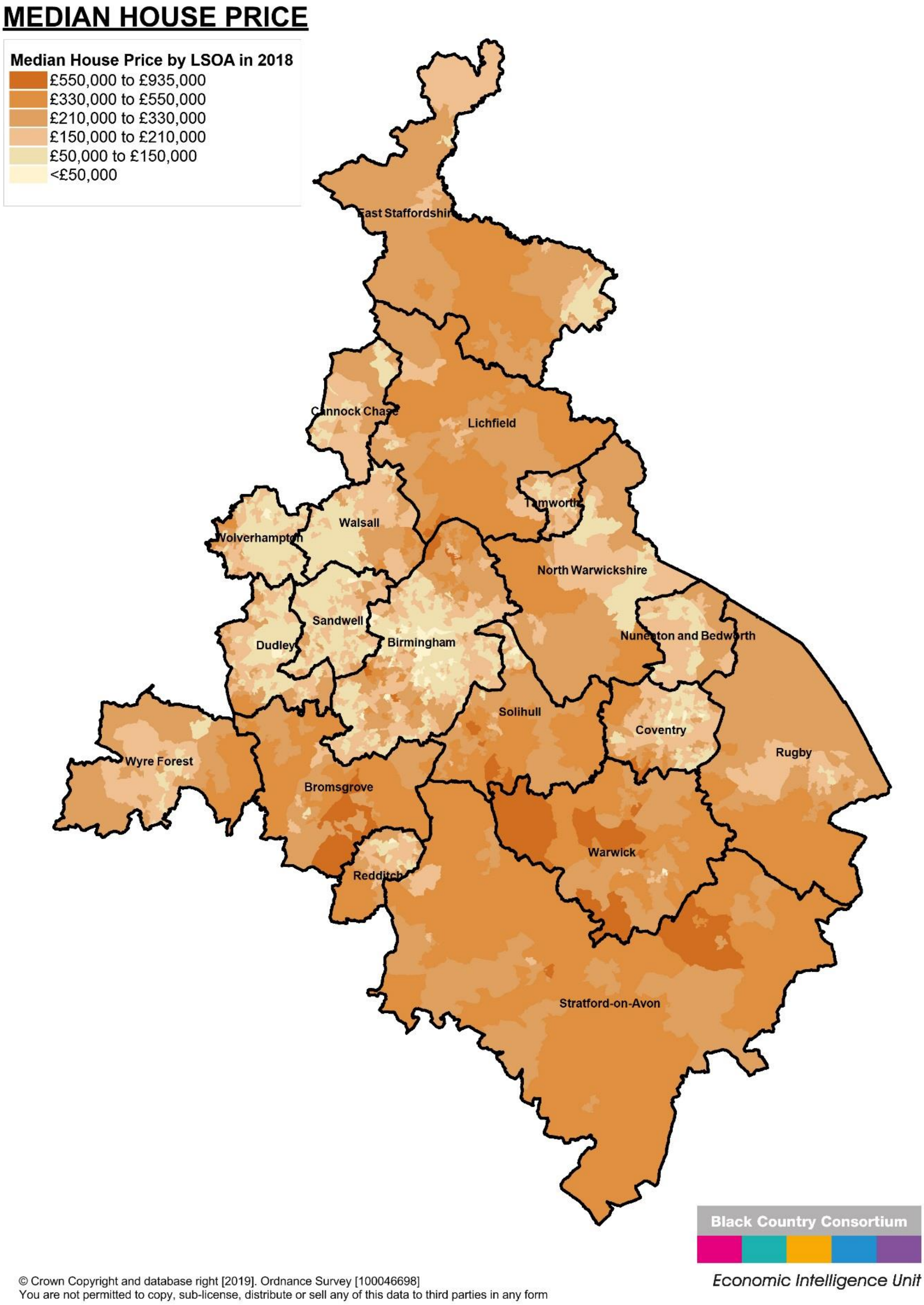


Source: ONS, House affordability in England and Wales, 2019

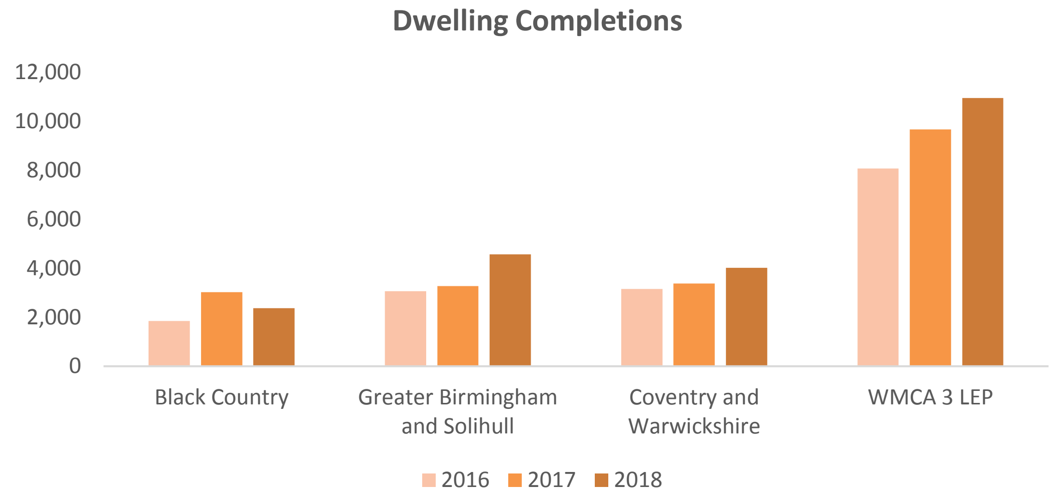
- The map below shows the average annual resident earnings per local authority within the WMCA in 2018. There are seven local authorities with earnings above the UK average with Bromsgrove being the highest at **£34,061.**



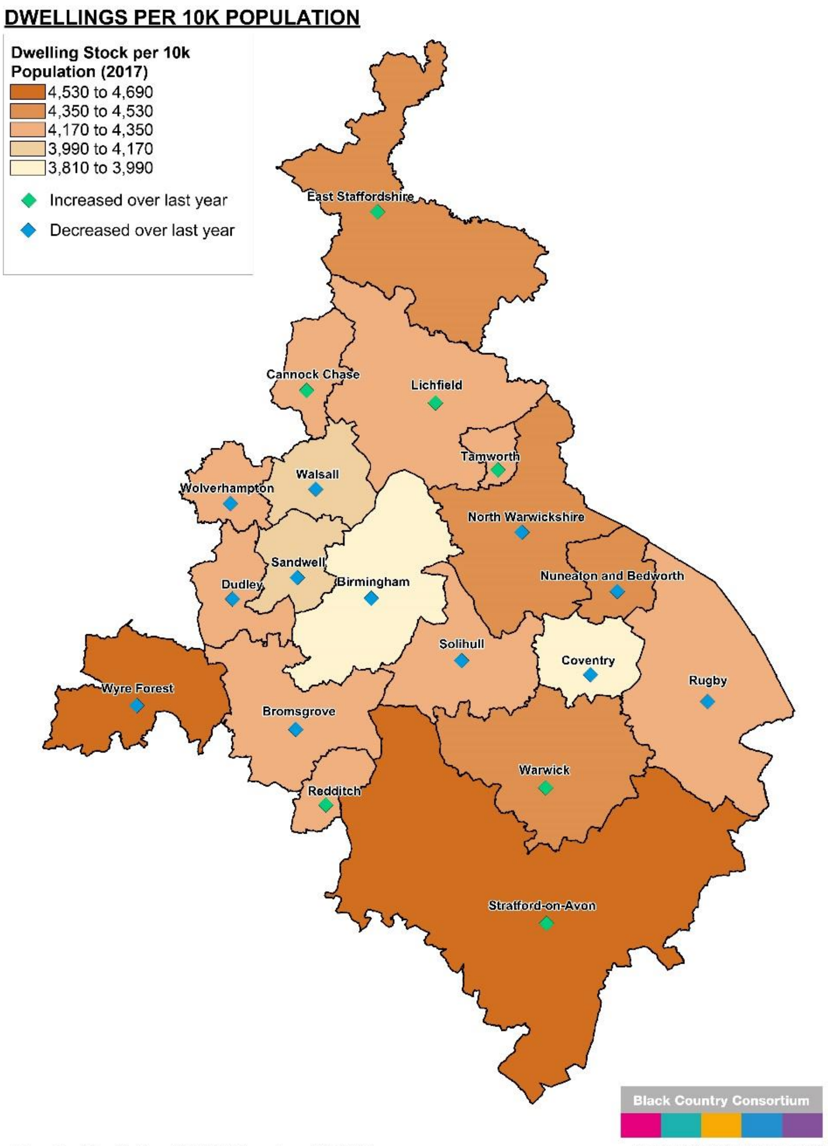
- The following map displays the median house prices within the WMCA in 2018:



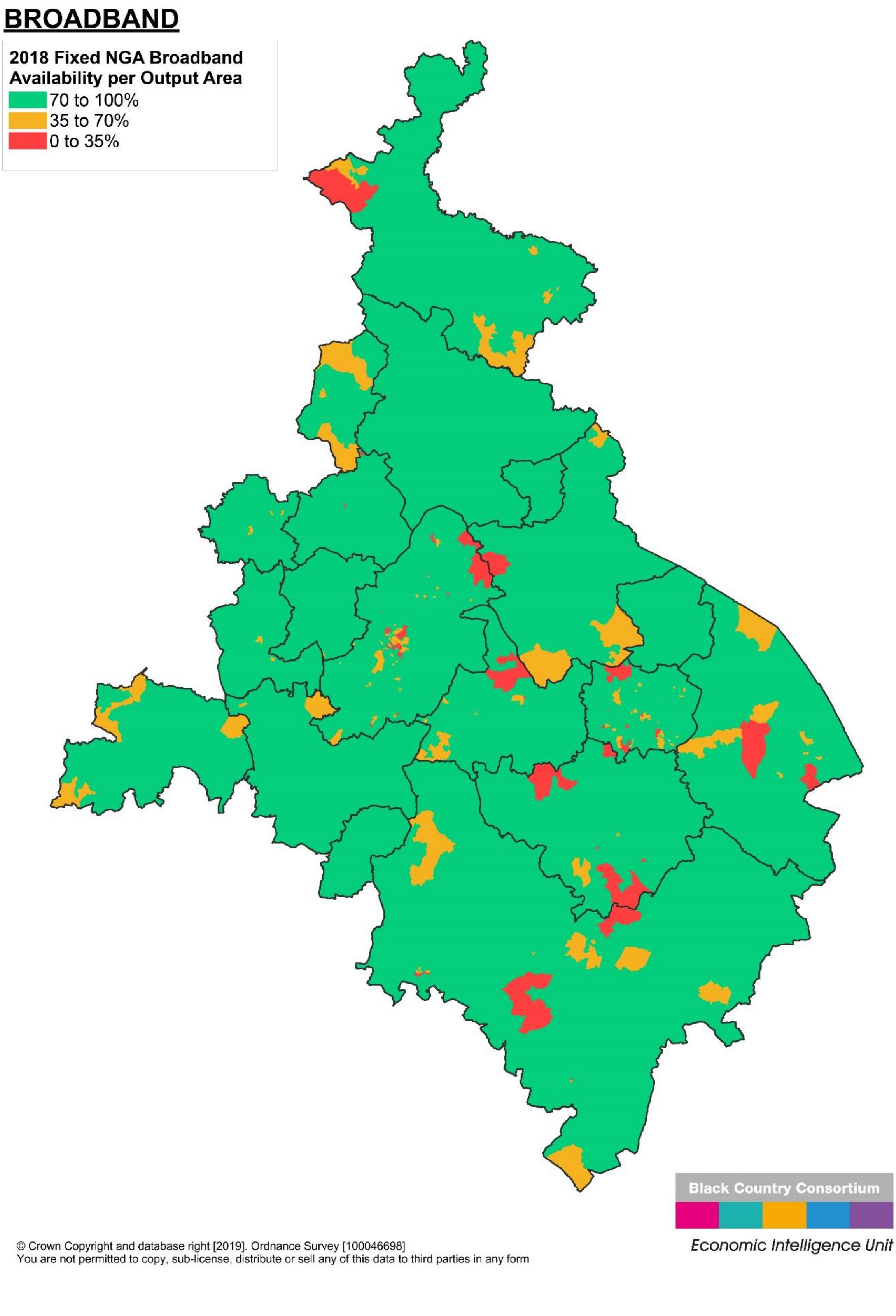
- In 2018, there were **10,960** dwelling completions in the WMCA, this is a **13.3%** increase from 2017. The following graph shows the total number of completions over the last 3 years.



- The current dwellings per 10k residents by district is illustrated in the following map:



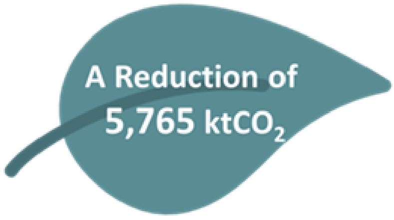
- Overall for the WMCA there were **98.2%** of premises that had Next Generation broadband in 2018[28].
- The following map shows the Next Generation Access broadband availability (% of premises) per output area within the WMCA.



[28] Ofcom, Connected Nations Report, 2018

Environment Developments

- A key aim of the area is to promote energy and resource efficiency to stimulate new technology and business.
- Our carbon dioxide equivalent (CO_2 e) produced from direct emissions by transport, business and housing based on a 2010 baseline will be **30%** less in 2020 and **40%** less in 2030. This will contribute over an **8%** improvement to GVA by 2030.

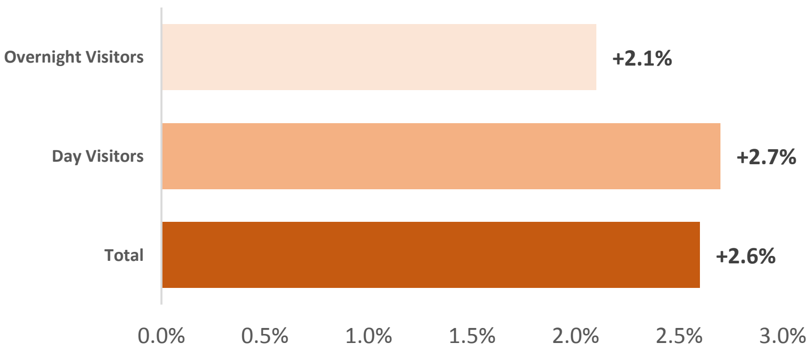


- The Natural Capital Round Table have begun the process of developing a Natural Capital Investment Plan, the very first in the region. This workstream will involve numerous partner organisations, and will lay the groundwork for capturing sources of finance for the benefit of the environment. This will put natural capital at the centre of the place making agenda within the WMCA.
- Continued work by the HS2 Environment and Landscape Board, which seeks the best outcomes for the natural environment of the West Midlands through investment in the HS2 Growth Strategy. HS2 Ltd and organisations within the West Midlands are working hard to align strategic priorities to generate extra benefits for planned projects along the route boundary.
- The Birmingham and the Black Country Local Nature Partnership continue to challenge government policy by responding to consultations and raising the profile of the beauty within the WMCA.
- 60+ partners continue to deliver significant improvements to the natural environment of the West Midlands. Partnerships include the Birmingham and the Black Country Nature Improvement Area (NIA), Catchment Based Approach and the Black Country Geopark UNESCO proposal project.

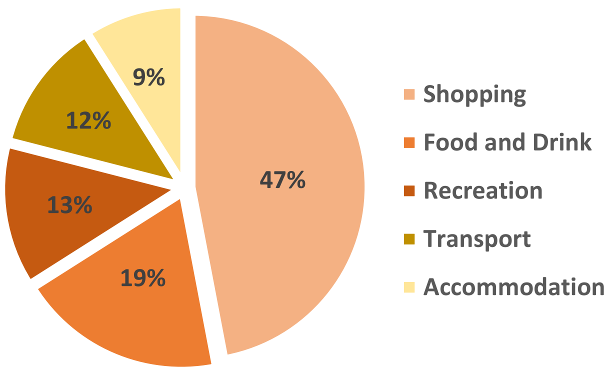
Visitor Economy

- The WMCA attracted over **131 million** visitors in 2018, an increase of **2.6%** (+3.4m visitors) over the past year. Day visitors to the WMCA has increased by **2.7%** (3.1m) and the number of visitors staying overnight increased by **2.1%** (0.3m)[29].
- There was a **3.8%** growth in visits to parks and gardens, followed by a **1.4%** increase for museums and galleries from 2017. In contrast, heritage sites experienced a 1.2% decrease and family attractions at -0.6%.
- The visitor economy is estimated to worth **£12.6bn** in 2018, an increase of **6.7%** from 2017, with nearly 50% being spent on shopping.
- There are approximately **135,725** full time equivalent jobs supported by direct tourist activities with a **3.3%** increase from 2017.

Percentage Growth in Visitors between 2017 - 2018



Breakdown of Expenditure by Category, 2018

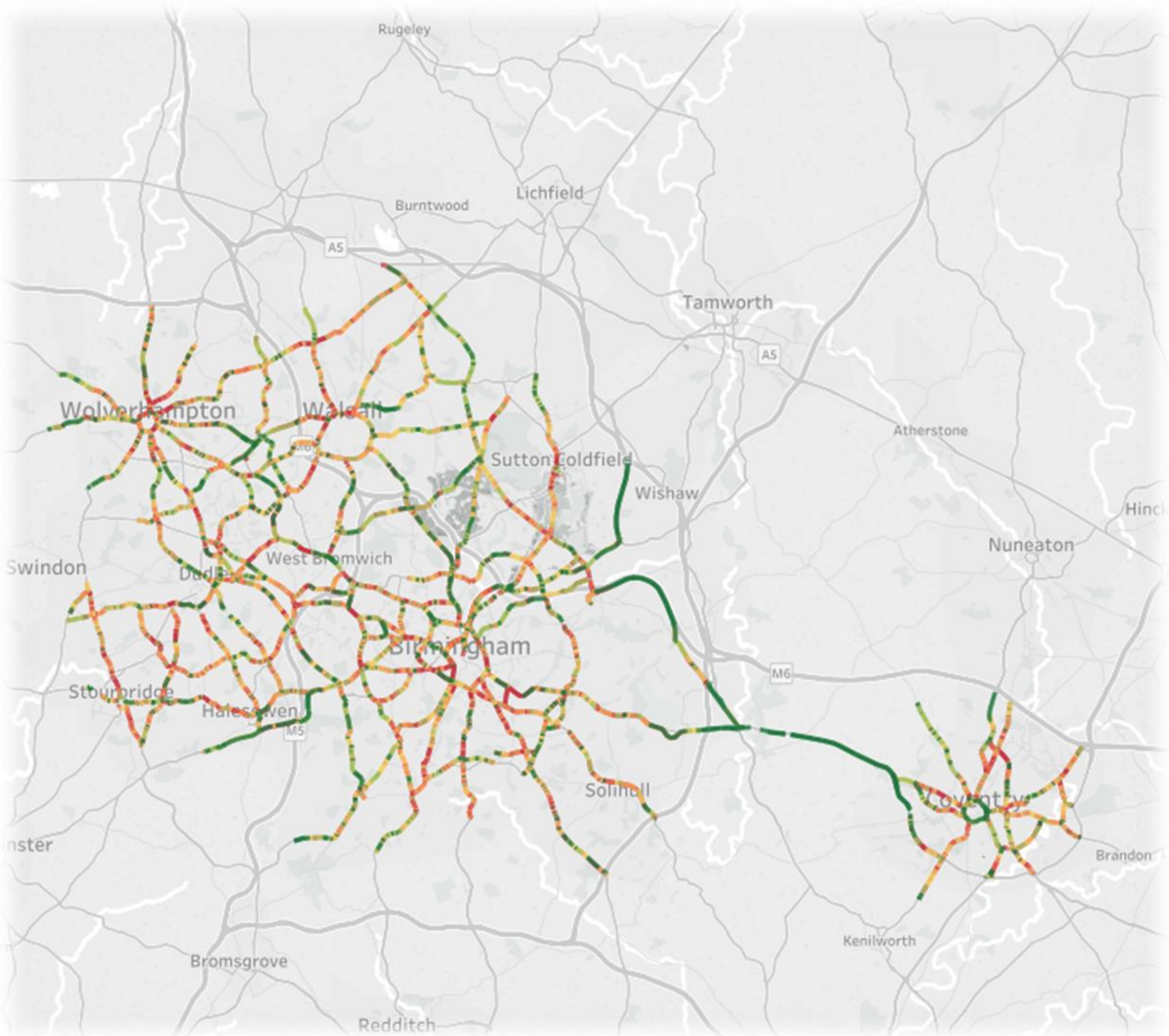


Source: WM Growth Company, STEAM model, 2019

[29] West Midlands Growth Company, STEAM Model, 2019

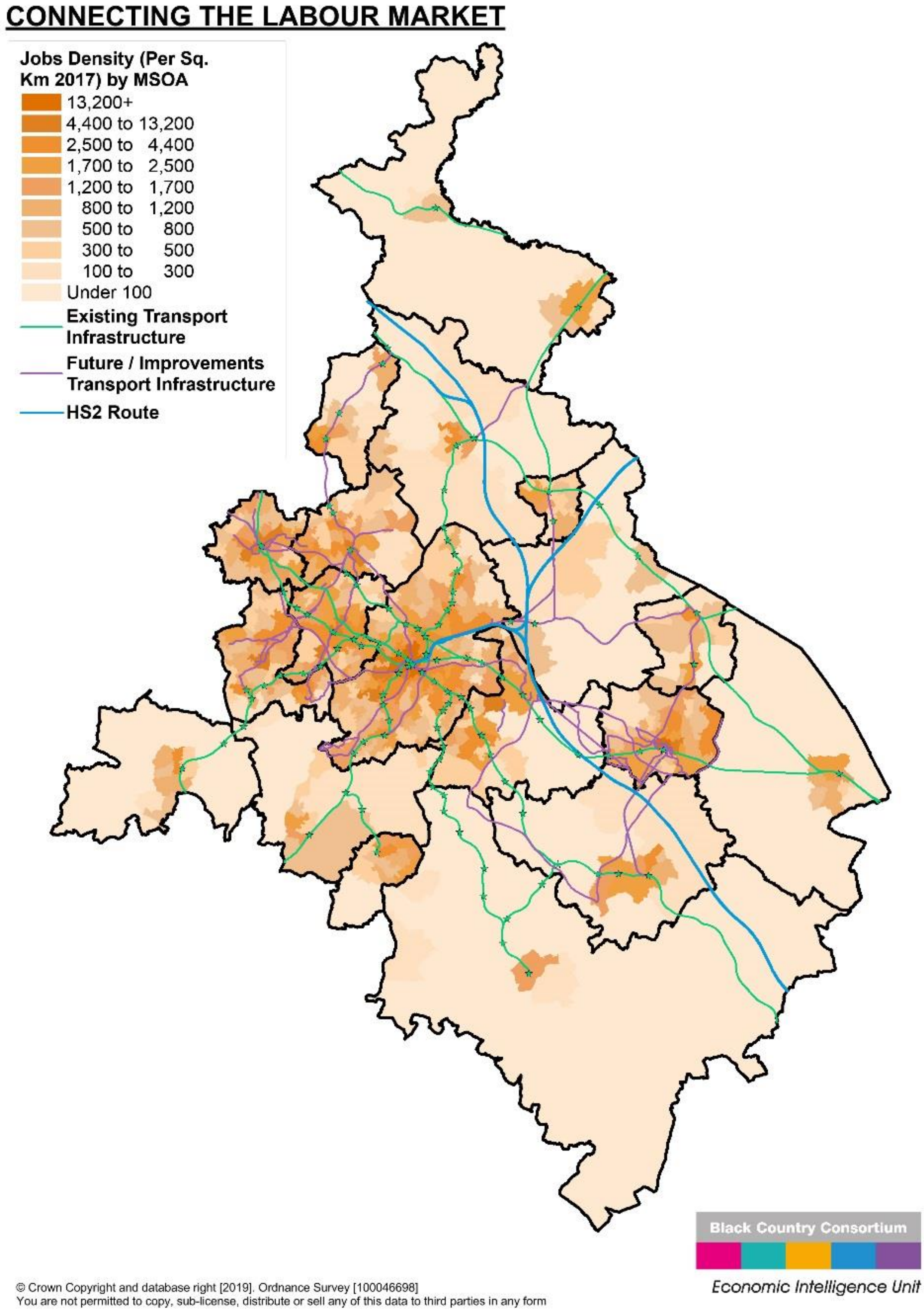
Transport

- The map below shows congestion in the West Midlands in pm time peak traffic in December 2018. **43%** of WM 7 Met. residents were able to access 3 or more strategic centres including Birmingham City Centre, accessible by public transport within 45 mins travel time in the am peak – some **32** percentage points lower than the WMCA ambition of 75%.

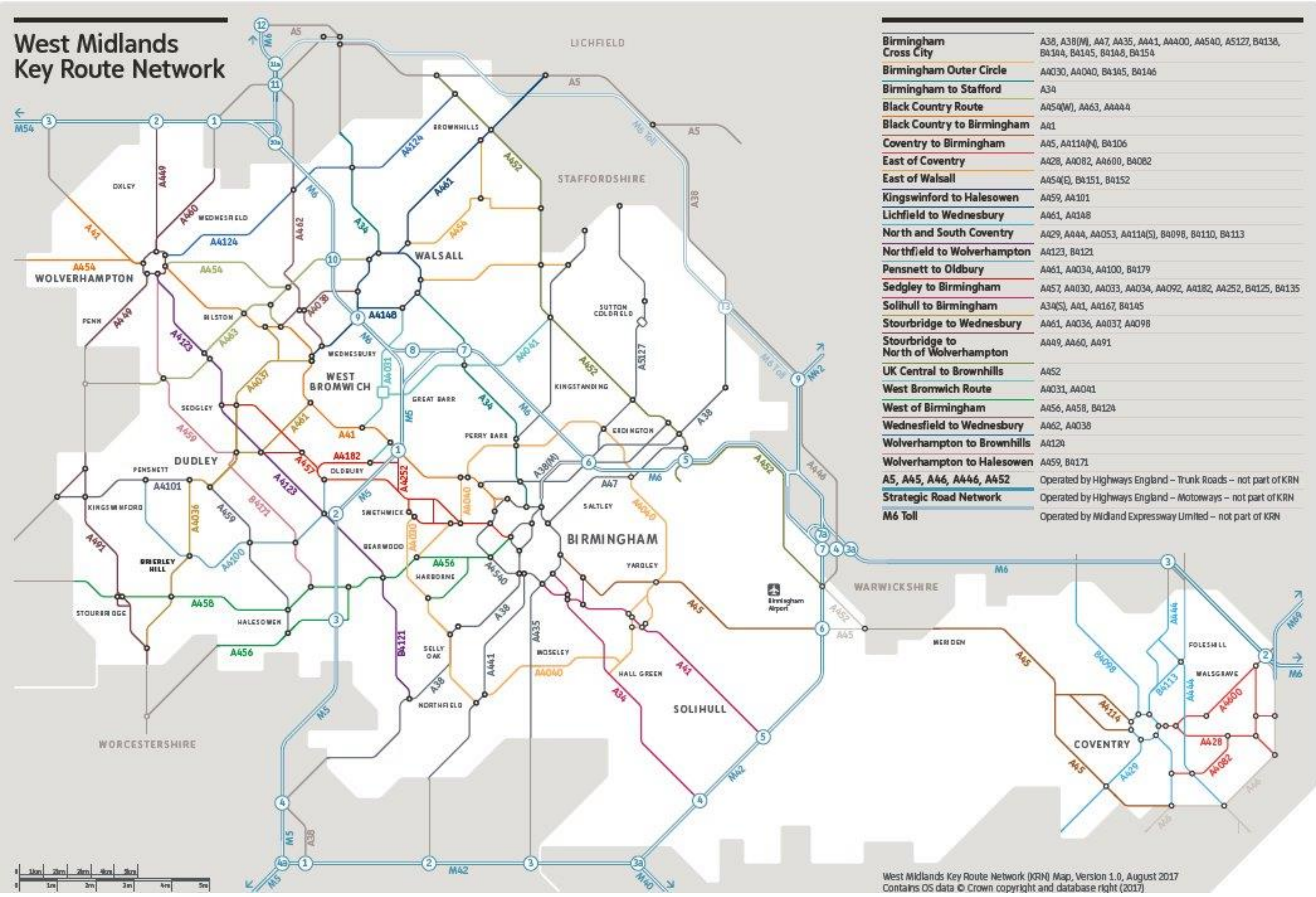


- There were **5,494** accidents in the West Midlands in 2018, compared to 2017 this has reduced by **5.7%** (-322). There were **943** serious or fatal accidents in 2018, this has decreased since 2017 by 2.0% (-19).

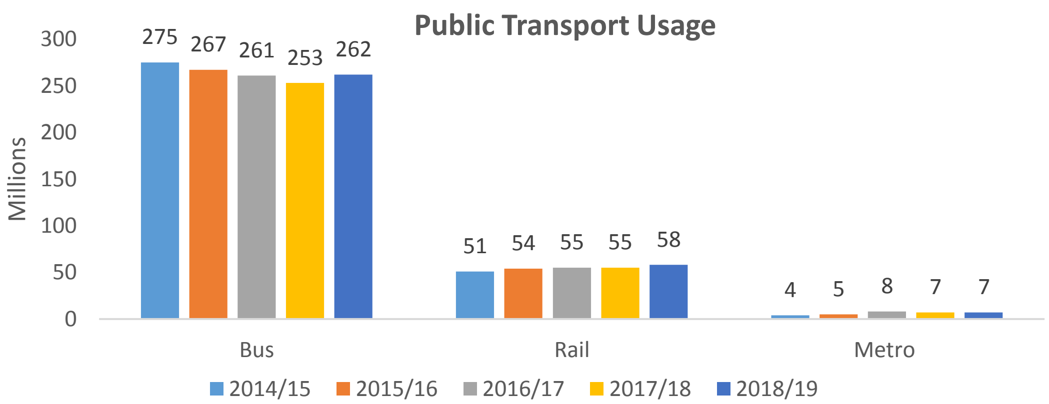
- The following map shows a number of possible / proposed transport infrastructure projects that would allow increased connectivity of people and business to jobs and markets respectively.



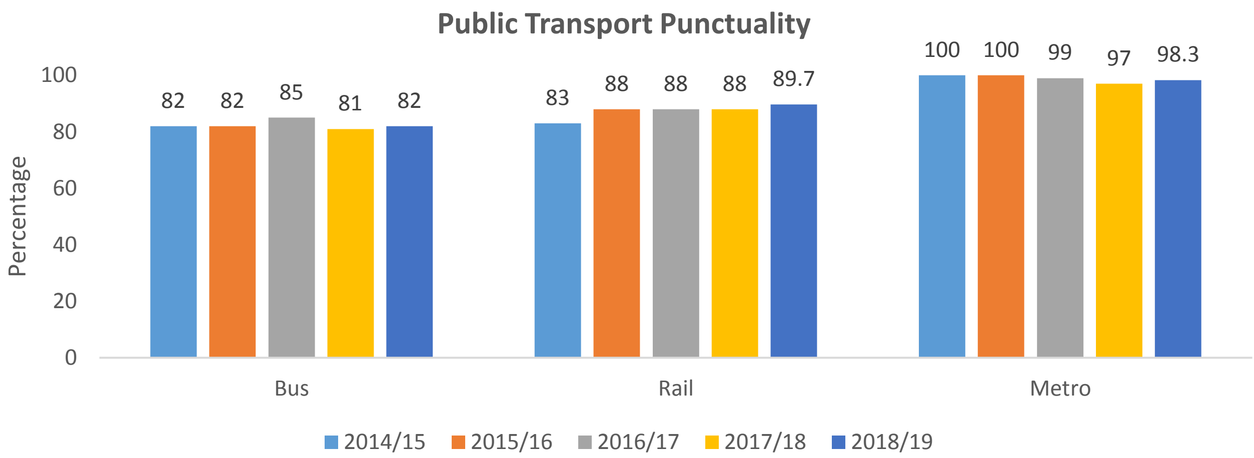
- The following map shows the West Midlands Key Route Network; a network of key local highways across the West Midlands essential for the following main purposes:
    - Serving the main strategic demand flows of people, goods and services;
    - Serving large traffic volumes; and
    - Providing connections to the national strategic road network.



- Bus ridership has increased as of December 2018 to **262 million** (**+3.6%**) from 2017 after experiencing years of small declines.
- The metro ridership has remained the same since 2017/18 at **7 million** people.
- Rail ridership has seen the biggest increase out of the 3 areas of public transport at **5.5%** since 2017/18.
- As of March 2019, **66%** of passengers were satisfied with the value for money for buses, **57%** for rail and **72%** for the tram.

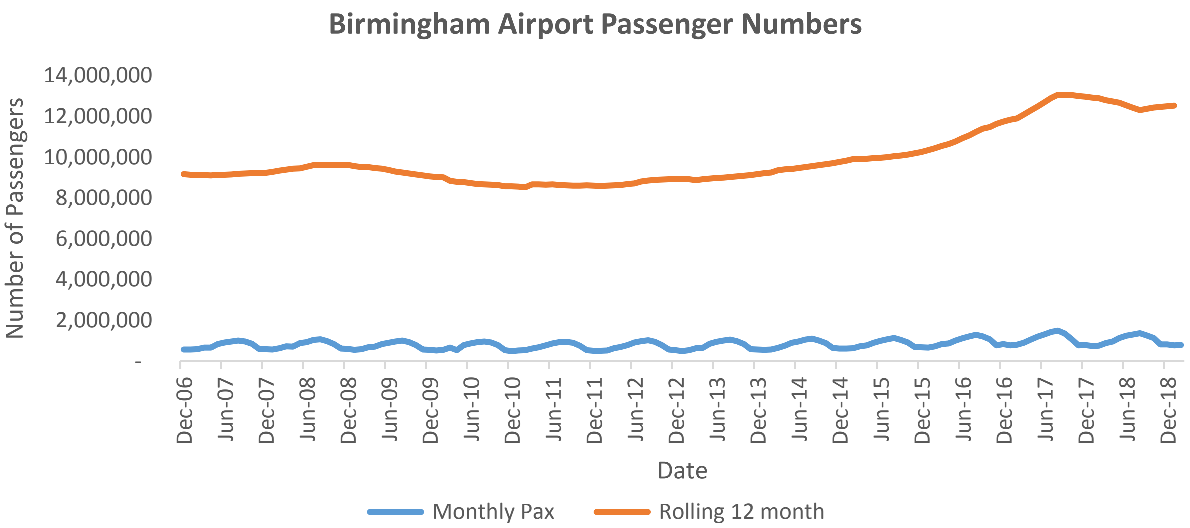


- Bus punctuality in 2018/19 reached the **82%** target. This has increased by **1pp** from 2017/18.
- The metro punctuality was slightly above the 98% target at **98.3%** in 2018/19, and has increased by **1.7pp** from 2017/18.
- The rail punctuality was well above the 80% target at **89.7%** and has increased by **1.3pp** from 2017/18.



Source: Transport for West Midlands, 2019

- Nearly **12.5 million** passengers passed through Birmingham airport in 2018 which is a 4.1% decrease compared to 2017. However, since October 2018 the number of passengers has started to increase each month.
- In 2018, there were **50** airlines that flew to over 150 destinations worldwide from Birmingham Airport.



Source: Transport for West Midlands, 2019

Deepening our evidence base – Environment

The WMCA Environment Board has agreed a more detailed set of monitoring to support our understanding of the environment and its contribution to clean and inclusive growth, and the carbon and air quality indicators within the WMCA state of the region report. Sustainability West Midlands (SWM) provides an annual update of these indicators and how we compare to other Combined Authority areas. This includes energy, water, waste, natural environment, and carbon intensity.

The latest SWM monitoring report was produced in May 2019 and includes new indicators, and where possible a breakdown by the 19 unitary or district local authorities within the 3 Local Enterprise Partnership geography of the WMCA area. The report also includes experimental work on how to measure the overall sustainability progress of the area by analysis over time of a selection of economic, social and environmental indicators. This shows the WMCA has improved by two places in the league table using the latest available data.

We are also working with the University of Birmingham WMAir project to develop more detailed air quality monitoring indicators, based on long-term health impacts, and therefore going beyond current legal compliance.

Our work with the Tyndall Centre and partners will review our current carbon reduction target in light of the latest Climate Change Committee recommendations, and also how we can measure the transition of our economy to a resource efficient one. Our current monitoring shows we continue to decouple economic growth and carbon emissions. We are the Combined Authority that has the fastest economic growth whilst reducing carbon emissions.

Following feedback from partners we are also beginning to develop our understanding of the social and economic costs of environmental improvements. However, as the recent climate change youth campaigns have reminded us, many of us haven't done our homework on the cost of not having a future, or as the Mayor has recently stated as the birthplace of the industrial revolution the West Midlands has a moral responsibility to lead the fight on the climate crisis.

Overall sustainability progress since the baseline year (2010-2014 depending on data source) up to latest available data.

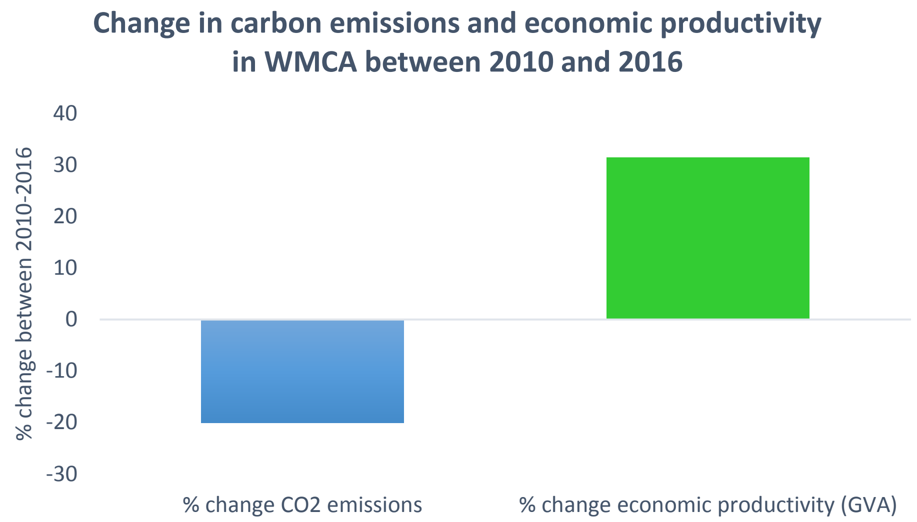
		Environmental							Social				Economic					Change since last year	
Rank	CA	CO_2	CO_2 per cap	Air quality	Renew Electric (-Drax)*	Recycle non-house	Recycle house	Positive Cons. Mgt.	Health Inequal (F)	Health inequal (M)	Partic. mortal.	Fuel poverty	Econ product	Econ product per cap	Emission intens.	Total	Average ranking	Average ranking	Overall Ranking
1	Greater Manchester	4	4	6	6	5	1	2	3	3	1	5	3	5	3	51	3.6	-0.6	-
2	North East	1	1	3	8	3	9	3	8	3	4	8	5	2	1	59	4.2	-0.6	↑2
3	Cambridge & Peterborough	8	7	1	7	1	5	8	1	5	8	1	2	3	4	61	4.4	+0.2	↓2
4	West Midlands	7	6	4	3	6	8	7	4	6	5	2	1	1	2	62	4.4	-0.8	↑2
5	West Yorkshire	6	8	4	4	4	4	9	2	2	3	6	6	6	6	70	5.0	+0.8	↓4
6	Tees Valley	2	3	3	5	9	7	1	6	1	7	7	8	8	5	72	5.1	-1.3	↑3
7	West of England	5	5	7	2	8	2	4	6	6	8	2	7	7	7	76	5.4	0.0	-
8	Liverpool City Region	3	2	2	9	2	5	5	4	7	5	8	9	9	8	78	5.6	+0.8	↓4
9	Sheffield City Region	9	9	8	1	7	3	6	9	8	1	2	4	4	9	80	5.7	+0.3	↓1

*Note – where Drax power plant data under renewable electricity are included, West Yorkshire is ranked sixth and Tees Valley fifth, with minor changes to the total/average scores against most Combined Authorities

Key to colours:

Green = Rank 1-3	Amber = Rank 4-6	Red = Rank 7-9
Near to, or best in class and where this a set target making good progress	Progress but improvements required to be best in class, or to meet target if set	Significant improvements required to be best in class, or meet target if set

Source: SWM annual sustainability metrics benchmarking for the WMCA, May 2019



Source: SWM annual sustainability metrics benchmarking for the WMCA, May 2019

Developing an understanding of the potential social and economic benefits of environmental improvements

Air quality – If all current air quality pollution was eliminated in the WMCA area, there would be an annual saving of economic, social and environmental costs of £2.5 billion a year. By just reducing the levels of one pollutant (PM2.5) in half, 952 deaths would be prevented and £1.4m of NHS costs saved in the WMCA area.

Energy – The annual energy costs to businesses and homes for the WMCA area is £6.7 billion a year. If the area invested £3.6 billion in cost effective clean energy and efficiency measures, by 2022 it could cut its annual energy bill by almost £1 billion per year (a payback of just over 3 years)

Warmer homes – If insulation and heating was improved to eradicated illness caused by cold homes, this would save the local NHS an estimated £63.1m a year. By improving our homes to eliminate all the deaths caused by cold homes, 2,270 lives would be saved in the WMCA area.

Green space – If 80% of WMCA residents used their local green space more than once a month it is estimated to save the local NHS £1.8m per year. If green spaces were used for sustainable drainage and as flood defences to protect half the properties at risk in the WMCA area, this would save £20.8m of economic damage per year.

Waste – If an additional 25% of household waste that is currently sent to landfill or incineration in the WMCA area, was recycled, it would save an additional £23.1m per year.

Business – The Local Industrial Strategy identifies the Low Carbon Technology sector within the WMCA area as the most productive. The scale of the sector is often hidden as existing businesses diversify into this market place, but could make up over £9 billion or 10% of the WMCA economy.

Source: SWM and WMCA high level internal review of social and economic impact of proposed environmental improvements, May 2019

How We Measure Success:
The Regional Outcome Indicators

How we measure success

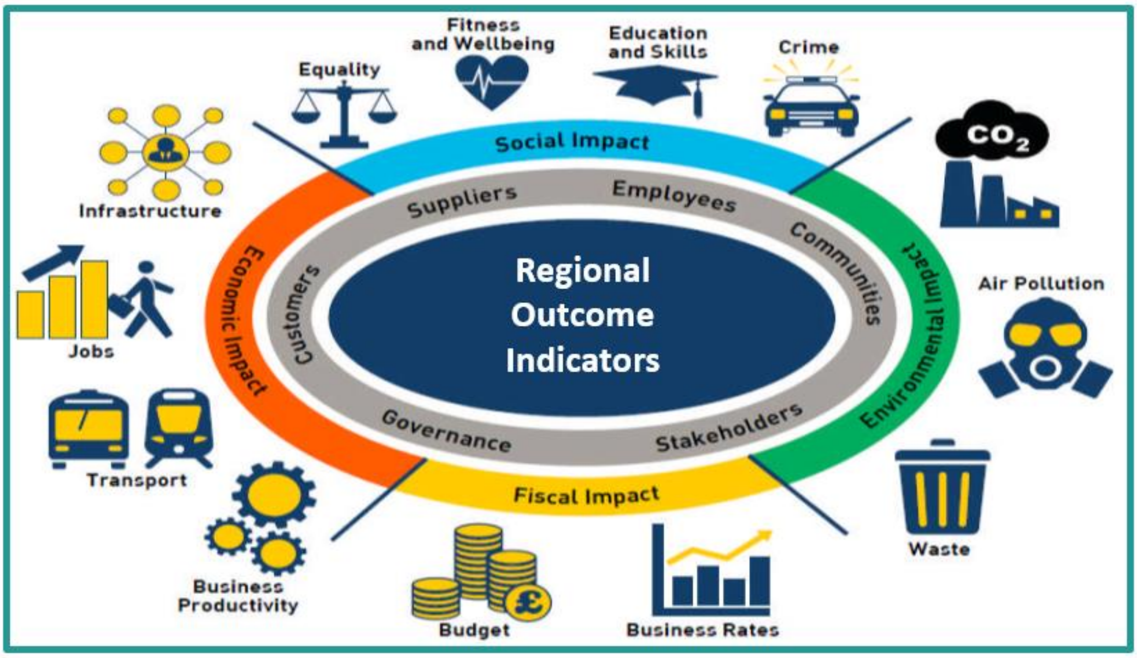
The Regional Outcome Indicators

The Regional Outcome Indicators provides a clear framework against which success can be measured. The Vision for the area has a number of smart objectives with clear targets. The Regional Outcome Indicators are composed of a selection of strategic headline indicators, which measure the impact of the various programme areas of the West Midlands Strategic Economic Plan (SEP). These indicators span a wide range of themes including productivity, employment and skills, infrastructure, competitiveness, sustainability and inclusive growth and measure the economic, social, fiscal and environmental impact.

The Regional Outcome Indicators are maintained and updated by the Economic Intelligence Unit (EIU) of Black Country Consortium Ltd who provide in depth cross-thematic spatial analysis on the Black Country economy on behalf of the WMCA. Understanding the economic impact of current and planned activity in the context of the WMCA SEP is fundamental to the work of the EIU. They continue to be at the forefront of new techniques and are currently working with others on the WMCA Office for Data Analytics. The Office for Data Analytics (ODA) will be the network of analysts, products and resource that exists across the West Midlands, with new resource being used to facilitate and enable collaboration and sharing across the existing systems and organisations, including the tools required to achieve greater scale and impact.

The outcomes of these indicators are impacted by a number of factors including external factors like the global economy which are outside of the control of regional partners.

Work is ongoing to demonstrate the impact of investment and outputs on achieving our required outcomes and impact utilising logic chains.



The Regional Outcome Indicators – 3 LEP Geography consistent with WMCA SEP unless otherwise stated[30]

Outcomes	Measures of Success	Where we are now	Change over the last year	Direction of Travel Relative to UK average since 2013	Scale of the Challenge	Source
ECONOMIC GROWTH - Improved GVA for the region in line with the UK average	O1. Gross Value Added (GVA) per head	£23,903	+£636	+£3,421 +16.7% WMCA +12.3% UK	GVA per head £27,555 +£3,652 GVA per head	ONS, Nominal and real regional gross value added (balanced) by industry, 2018 and Mid-year population estimates, 2018
	O2. GVA per Hour	£31.07	+£0.93	+£3.63 +13.2% WMCA +8.8% UK	GVA per hour £33.65 +£2.58 per Hour	ONS, Sub regional Productivity: GVA per hour worked by Local Enterprise Partnerships, 2019
	O3. Gross Disposable Household Income (GDHI) per Person	£16,479	+£186	+£1,514 +10.1% WMCA +9.1% UK	£19,514 GDHI per Person +£3,035 GDHI per Person	ONS, Regional Gross Disposable Household Income (GDHI) by Local Enterprise Partnership, 2019
BUSINESS - Improved the productivity of our businesses focussing on our growth sectors FISCAL - Secure better for less from our public services	B1. GVA per employee	£53,087	+£396	+£4,280 +8.8% WMCA +6.6% Eng.	GVA per employee £60,523 +£7,436 GVA per employee	ONS, Nominal and real regional gross value added (balanced) by industry, 2018 and Business Register and Employment Survey, 2018
	B2. GVA in transformational sectors	£72.3bn	+£2.3bn	+13bn +22.5% WMCA +16.7% UK	£147bn WMCA SEP Ambition +£74.7bn GVA	ONS, Nominal and real regional gross value added (balanced) by industry, 2018
	B3. No. of Enterprise Births	24,230 Enterprise births 58 per 10,000 population	-3,315 Enterprise births	+5,425 Enterprise births +28.8% WMCA +10.3% UK	Ahead of UK Currently on par with the UK average of 58 per 10,000 population, ambition is to surpass the UK average	ONS, UK Business Demography, 2018
	B4. Five - year Enterprise Survival Rate of businesses born in 2012	43.5%	-0.3pp	N/A	To stay above the UK	ONS, UK Business Demography, 2018
	B5. Jobs in Transformational Sectors	1.2m	+43,715 jobs	+155,020 +13.3% WMCA +10.3% Eng.	1.5m WMCA Transformational SEP Ambition + 335,155 transformational jobs	Business Register and Employment Survey, 2018
	B6. Total Jobs	1.9m	+56,000	+186,000 Jobs +11.1% WMCA + 9.6% Eng.	2.4m WMCA SEP Total Jobs Ambition +535,000 Jobs	Business Register and Employment Survey, 2018

[30] The green shading illustrates indicators which have moved in a positive direction compared to the UK average or national (England) where UK averages are not available. The red shading indicates the reverse and orange indicates a growth rate in the right direction but less than the UK or national average.

Outcomes	Measures of Success	Where we are now	Change over the last year	Direction of Travel Relative to UK average since 2013	Scale of the Challenge	Source
	B7. Employment Rate	71.7%	+0.7 pp	+4.5 pp WMCA +3.8 pp UK	Employment rate =75% +3.3pp	ONS, Annual Population Survey, 2019
	F1. Income & Exp. Balance	-£1bn	-£1.7 bn		To achieve no fiscal gap +£1 bn	
PEOPLE - Improved Life Chances for all	P1. Reduce % of people in top 10% most deprived areas	20%			10% of people	IMD, 2015 And ONS Mid- Year populations, 2018
	P2. (i) Annual average earnings of full-time working residents	£28,294	+ £652	+£2,415 +9.5% WMCA +9.3% Eng.	+ £1,280	ONS, Annual Survey of Hours and Earnings (ASHE), 2018
	(ii) % of employees earning above the Living Wage Foundation rates	76.3%	+0.5pp	N/A	+0.9pp	ONS, Annual Survey of Hours and Earnings (ASHE) – Number and proportion of employee jobs with hourly pay below the National Living Wage by Local Authority, 2018
	P3. Youth Claimants aged 18 - 24[31]	18,675 (March 2019)	+3,035 19.4%	-17,490 -48.4% WMCA -51.4% UK	-22.9% -4,281 youth claimants	Department of Work and Pensions. 2019
	P4. Claimant Count aged 18-64	91,310 (March 2019)	+17,485	-37,530 -29.1% WMCA -34.6% UK	-31.1% -28,359 claimants	Department of Work and Pensions. 2019
SKILLS - Improved skill levels at all ages so that people have the skills and qualifications to access jobs. Ignite /Retune /Accelerate	P5. % of Working Age Population (WAP) with No Qualifications	11.0% 283,700 people	- 2.5% - 7,400 people	- 21.8% WMCA - 79,300 people - 15.4% UK	8% - 78,284 people	ONS, Annual Population Survey, 2019
	P6. % of WAP with NVQ1	11.4% 292,900 people	+0.7% +2,000 people	- 6.0% WMCA[32] - 18,800 people - 10.9% UK	Ahead of UK	ONS, Annual Population Survey, 2019
	P7. % of WAP with NVQ2	17.0% 437,600 people	+ 1.2% + 5,400 people	+1.7% WMCA +7,200 people -4.2% UK	Ahead of UK	ONS, Annual Population Survey, 2019
	P8. % of WAP with NVQ3	17.7% 454,100people	+ 0.6% + 2,600 people	+ 4.2% WMCA + 18,300 people +1.7% UK	Ahead of UK	ONS, Annual Population Survey, 2019
	P9. % of WAP with NVQ4+	32.1% 825,500 people	+ 3.3% + 27,200 people	20.0% WMCA + 137,800 people 14.1% UK	39.2% + 181,538 people	ONS, Annual Population Survey, 2019
	P10. No. of Apprenticeships starts	29,230	-13,240 - 31.2%	-6,780 - 18.8% WMCA -13.5 % Eng.	84,000 + 54,770 apprenticeships	Department for Education, 2019
	P11. Progress 8 Score	- 0.14 (Below Average)	+0.02	N/A	-0.02 (Eng. score) + 0.12 points	Department for Education, 2019

[31] Please note claimant count figures have been impacted due to the roll out of universal credit
[32] While the growth here is below the UK average, decline in this area may indicate positive progression.

Outcomes	Measures of Success	Where we are now	Change over the last year	Direction of Travel Relative to UK average since 2013	Scale of the Challenge	Source
	P12. NEETs aged 16-17	4,630 (7.1%) (WM 7 Met.)	-410 - 8.1%	N/A	6% - 701 NEETs	Department for Education, 2019
	P13. % of children achieving a good level of development at the end of reception	68.3% (WM 7 Met.)	+2.0pp	+18.6pp WM 7 Met. +19.8pp Eng.	+3.2%	Department for Education, 2019
	P14. Social Mobility	Based on 326 Local Authorities Lowest Ranked: North Warwickshire: 307 Highest Rank: Bromsgrove 48 (2017)	+15 places	N/A	All the West Midland Local Authorities in the Top Quarter Ranking	Social Mobility Commission, 2018
HEALTH - Better quality of life for all: improved health (inc Mental health) and well being	P15. Healthy Life Expectancy (HLE) at Births – Males & Females	Males (M) = 59.9 years (WM 7 Met.)	+ 0.3 years WM 7 Met.	0 years WM 7 Met. + 0.1 years Eng.	63.4 years	Public Health England, 2018
		Females (F) = 60.1 years (WM 7 Met.)	- 0.2 years WM 7 Met.	- 1.1 years WM 7 Met. -0.1 years Eng.	63.8 years	Public Health England, 2018
	P16. Health inequality gap by years between the most and least deprived areas	M = 6.3 years F = 7.4 years (WM 7 Met.)	M = -1.7 years F = -1.5 years WM 7 Met.	M = -2.4 years F = -0.3 years WM 7 Met.	No gap Reduce gap by 6.3 years for males and 7.4 years for females	Public Health England, 2018
	P17. Gap in employment rate for those in contact with secondary mental health services and the overall employment rate	61.2% (WM 7 Met.)	+0.9 pp WM 7 Met.	+ 1.9 pp WM 7 Met. + 3.5 pp Eng.	Ahead of England + 7pp (68.2%)	Public Health England, 2018 And NHS Digital 2018
	P18. Rates of suicide (per 100,000)	8.7 per 100,000 population (WM 7 Met.)	-1.1 per 100,000 population	- 1.4 WM 7 Met. -0.5 Eng.	No suicides - 627 suicides	Public Health England, 2018
	P19. % Physically Active Adults	1,913,900 58.1%	+1.1pp	N/A	62.6% + 156,701 active people	Sport England, Active Lives Survey, 2019
	P20. Infant Mortality	6.6 per 1,000 live births (WM 7 Met.)	No Change WM 7 Met.	+0.4 per 1,000 WM 7 Met. No Change Eng.	0 preventable Births	Public Health England, 2018
CRIME - Reduced offending and re-offending	P21. Total recorded crime (per 1,000 population)[33]	252,689 87.2 per 1,000 population (WM 7 Met.)	+10.9% WM 7 Met. +7.0% Eng.	+39.2% WM 7 Met. +34.9% Eng.	Below the England average	ONS, Crime in England and Wales 2019
	P22. Proven Rates of Reoffending for Adults	30.1% (WM 7 Met.)	N/A	N/A	Below the England Average	Ministry of Justice, 2019

[33] Baseline is 2015.

Outcomes	Measures of Success	Where we are now	Change over the last year	Direction of Travel Relative to UK average since 2013	Scale of the Challenge	Source
	P23. No. of first-time entrants to Youth Justice System (per 100,000)	397 per 100,000 (WM 7 Met.)	- 10.6% -11.6% Eng.,	- 19.8% WM 7 Met. - 34.8% Eng.	-104 per 100,00 first-time entrants	Public Health England, 2018
PLACE ACCESSIBILITY- Improved the connectivity of people to businesses to jobs and markets	Pl1. Broadband Connectivity	97.7% 1.19m premises (WM 7 Met.)	+ 2.1 pp WM 7 Met.	+ 6.4 pp WM 7 Met. + 18 pp UK[34]	100% coverage	Ofcom Connected Nations, 2018
	Pl2. % residents able to access 3 or more strategic centres including Birmingham City Centre, accessible by public transport within 45 mins travel time in the am peak	43% (WM 7 Met.)	+0.9 pp	- 1.6 pp[35] (Oct 2013 vs Jan 2019)	75% + 32pp	Transport for West Midlands, 2019
	Pl3. Bus time reliability	To be developed[36]				
INFRASTRUCTURE - Improved the quantity of high quality readily available development sites	Pl4. Mode Share of all Journeys: i). Mode Share of all journeys by non-sustainable and sustainable	i). Non-sustainable: (Car) 68% Sustainable: 32%	i). Non-sustainable: (Car) +1% Sustainable: -1%	i). Non-Sustainable: (Car) +4% Sustainable: - 4%	45% car mode share Car (- 23%)	Transport for West Midlands, 2019
	ii). Percentage of car journeys single occupancy	ii). 73% (WM 7 Met.)	ii). -9pp	ii). -9pp		
	Pl5. Total Dwelling Stock Estimates	1,719,094	+14,491	+56,694 WMCA	+189,029	MHCLG, Live Tables, 2019
	Pl6. Total Additional Affordable Dwellings	3,337 (2017/18)	+482	+503 WMCA (2013/14 – 2017/18)		MHCLG, Live Tables, 2018
	Pl7.Number of Additional Affordable Rented Dwellings	1,626 (2017/18)	+49	+133 WMCA (2013/14 – 2017/18)		MHCLG, Live Tables, 2018
	PL8. Ratio of median house price to median gross annual residence-based earnings	7.13	+0.26	+1.27 WMCA +1.24 Eng.		ONS, House price to workplace-based earnings ratio, 2019
SUSTAINABILITY - Resource efficient economy to stimulate new technology and business	E1. CO_2 emitted within SEP area by transport, businesses and homes	21,043 ktCO_2	-830 ktCO_2 -3.8%	-14.7% WMCA -17.9% UK	WMCA target: 40% reduction in carbon by 2030 from 2010 -5,249 ktCO_2	Sustainability for West Midlands, 2019
	E2. No. of days poor air quality per year (rated 4 or higher on the Daily Air Quality Index)[37]	46 days	+21 days	-17.9% WMCA[38] +2.4% UK	WMCA target: 1 day by 2030 -45 days	Sustainability for West Midlands, 2019

[34] Baseline is 2014.
[35] For indicators with no shading, this is due to no UK comparative figures.
[36] Transport for West Midlands is in the process of developing an effective monitoring approach for bus time reliability.
[37] Number of days is measured by region
[38] Baseline data is 2011

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